NKANDLA LOCAL MUNICIPALITY

DRAFT IDP REVIEW 2015/2016

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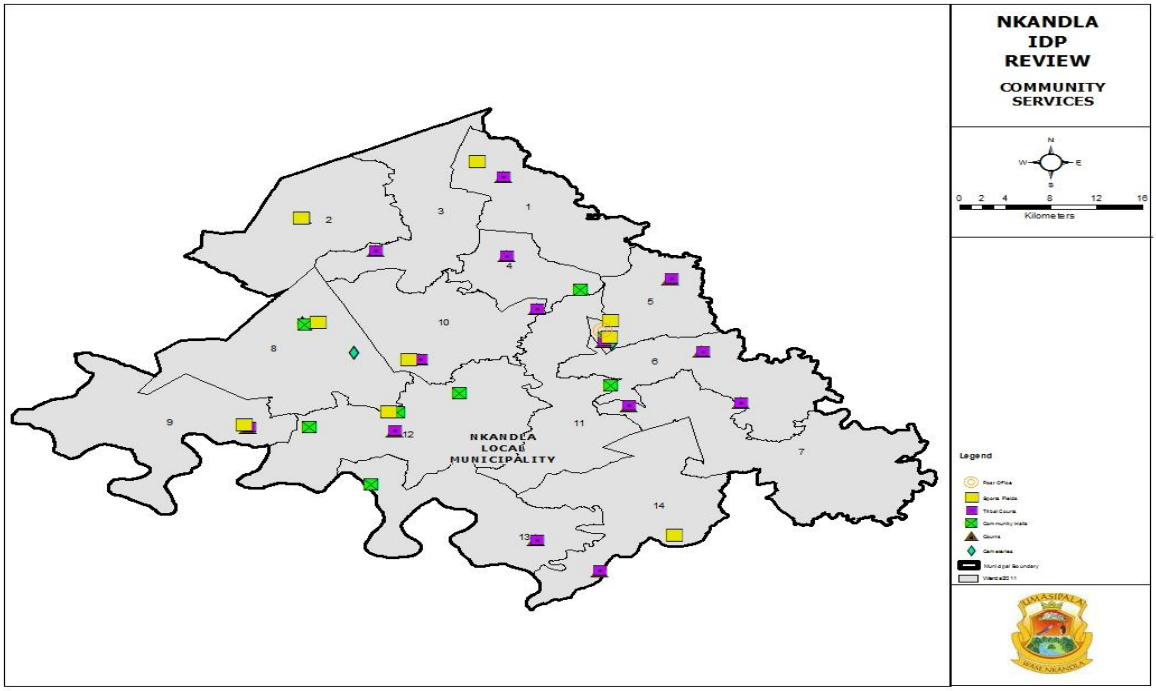
SECTION A: EXECUTIVE SUMMARY

1. Who are we?

The name Nkandla originated from the IsiZulu word Khandla. The area is located approximately 55 km south west of UMthonjaneni Local Municipality, 60 km from UMlalazi Local Municipality, and approximately 50 km away from Isandlwane battle fields. Situated 150 km from UMhlathuze Local Municipality and 250 km from Ethekwini Metrpolitan Municipality. Nkandla LM is richly bestowed with natural indigenous forests, sufficient land for different agricultural crops and various historical and cultural sites within the municipality. Nkandla LM is also home to the famous high quality Ntingwe Tea which is traded all over the world. The tea is affectionately called Zulu tea abroad. Nkandla LM is pitures reque with rolling lush green hills intercepted by meandering rivers. The natural landscape is breathtaking and remains largely undeveloped which contributes to the natural beauty and breathtaking views and vistas. The place is rich with culture which has been preserved for many years.

Nkandla is also the place where some of the first signs of Black resistance against the apartheid system emerged. King Shaka led a great war against people of Zwide in the efforts of coining the Zulu nation during the Mfecane era. One of the nation's greatest Kings, King Cetshwayo was laid to rest within the spread of the untouched natural forest in Nkandla. The people of the world need to know that Nkandla is a place which is extremely tranquil where one can feel at one with nature, where one can turn back the hands of time and reflect on the past and get the sense of what being a true African means. Moving from a rich history to the establishment of a democratic elected government, National, Provincial and Local Municipalities: establishment and positioning of Nkandla Local Municipality:



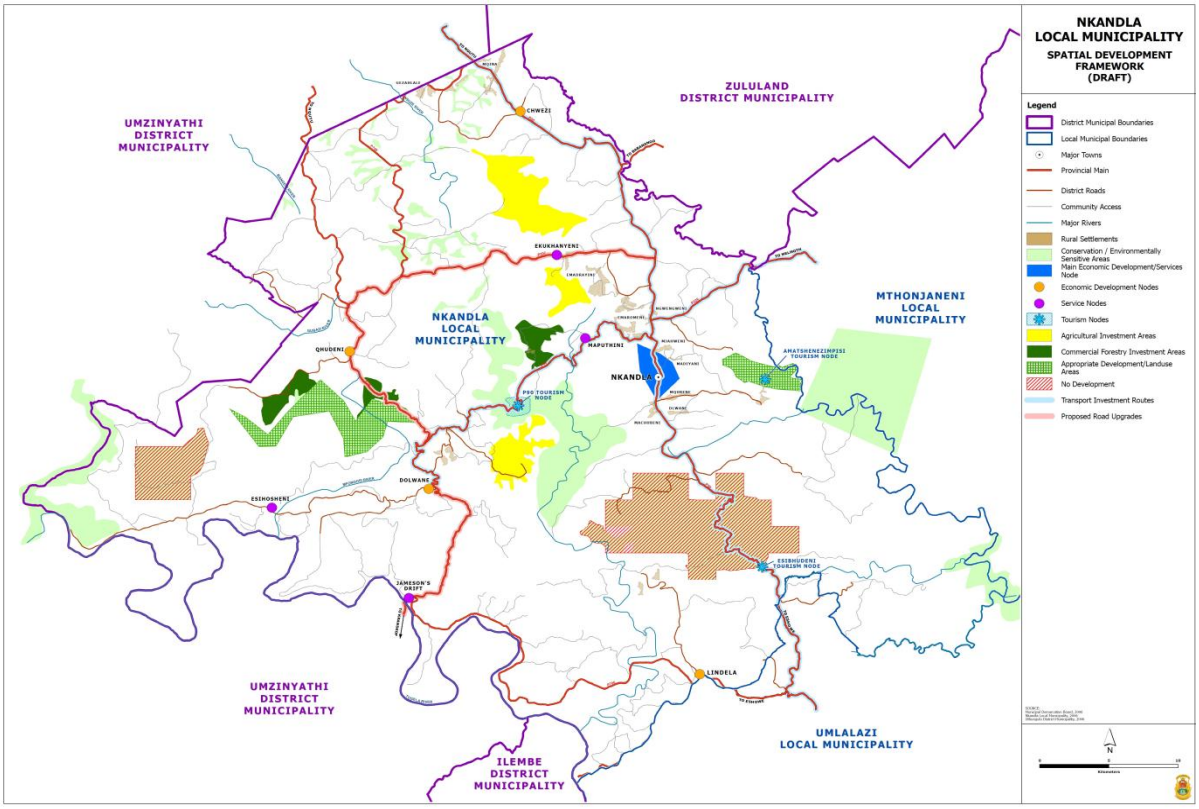
1.1 Spatial Location and Regional Context of Nkandla Local Municipality

Nkandla LM forms part of uThungulu District (DC28). The district consists of six local municipalities namely: Nkandla Municipality is surrounded by the following local municipalities: Ulundi to the north, Nquthu in the north-west, Msinga in the west, uMvoti in the south-west, Maphumulo in the south, UMlalazi in the south east and UMthonjaneni in the east.

- **Mfolozi** **KZ281**
- **Umhlathuze** **KZ282**
- **Ntambanana** **KZ283**
- **UMlalazi** **KZ284**
- **Mthonjaneni** **KZ285**
- **Nkandla** **KZ286**

The municipality is in western area of uThungulu District (DC28). It is situated close to the country's two largest ports, lying about 130 kilometers inland from Richards Bay and 250 km north of Durban. Nkandla Town is classified as a Rural Service Centre (RSC) and a Provincial Rural Administrative Centre (PRAC), is the only formalized urban area located within Nkandla situated approximately 50 kilometers south-west of Melmoth and 65 kilometers from Eshowe. It is isolated from the major economic development corridors: access is via a main tar road from Melmoth, and tar road from Eshowe, Kranskop and Nquthu.

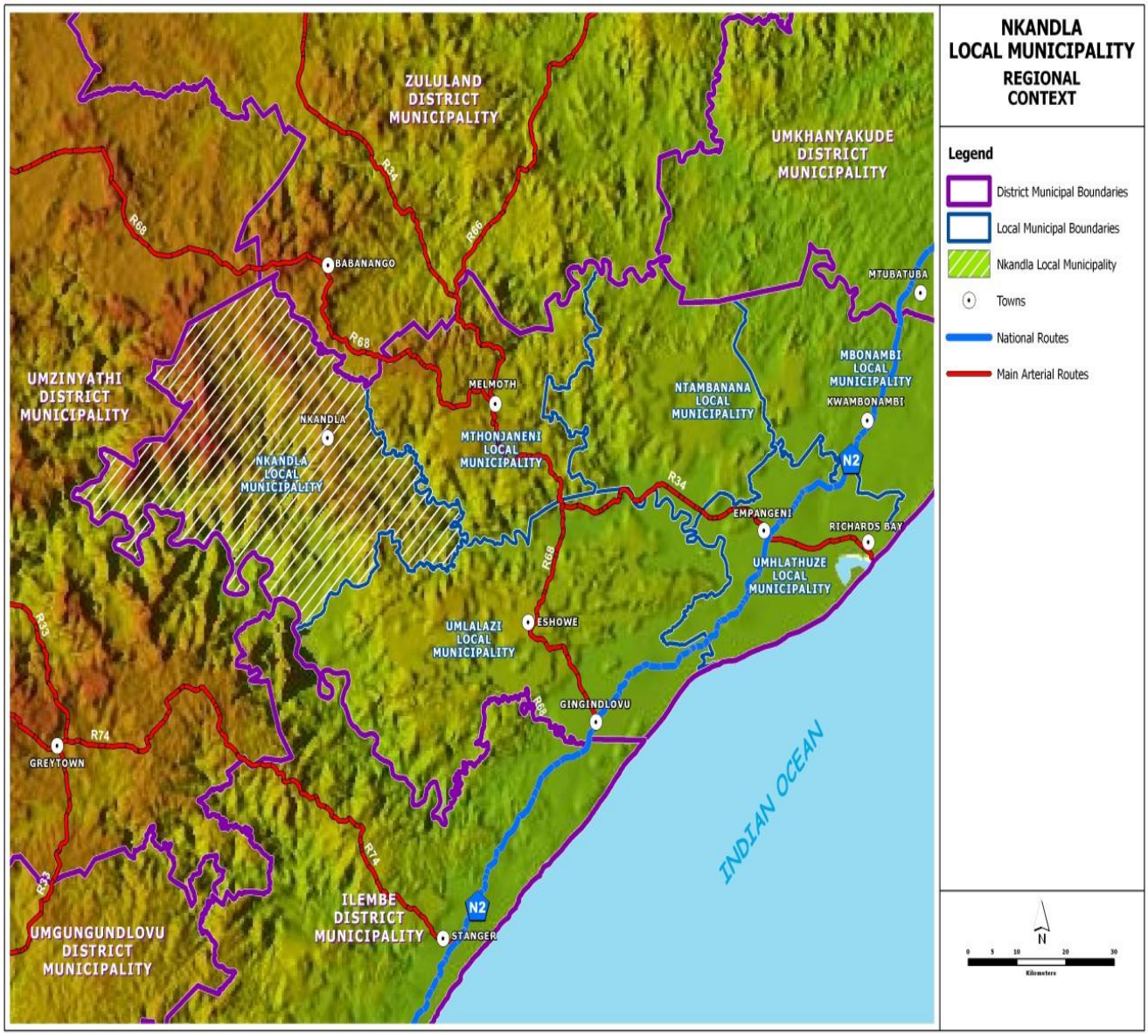
Map 1: Nkandla Locality Map



REGIONAL CONTEXT

Map 2: REGIONAL CONTEXT MAP

The Map below shows the Regional Context of Nkandla Local Municipal.

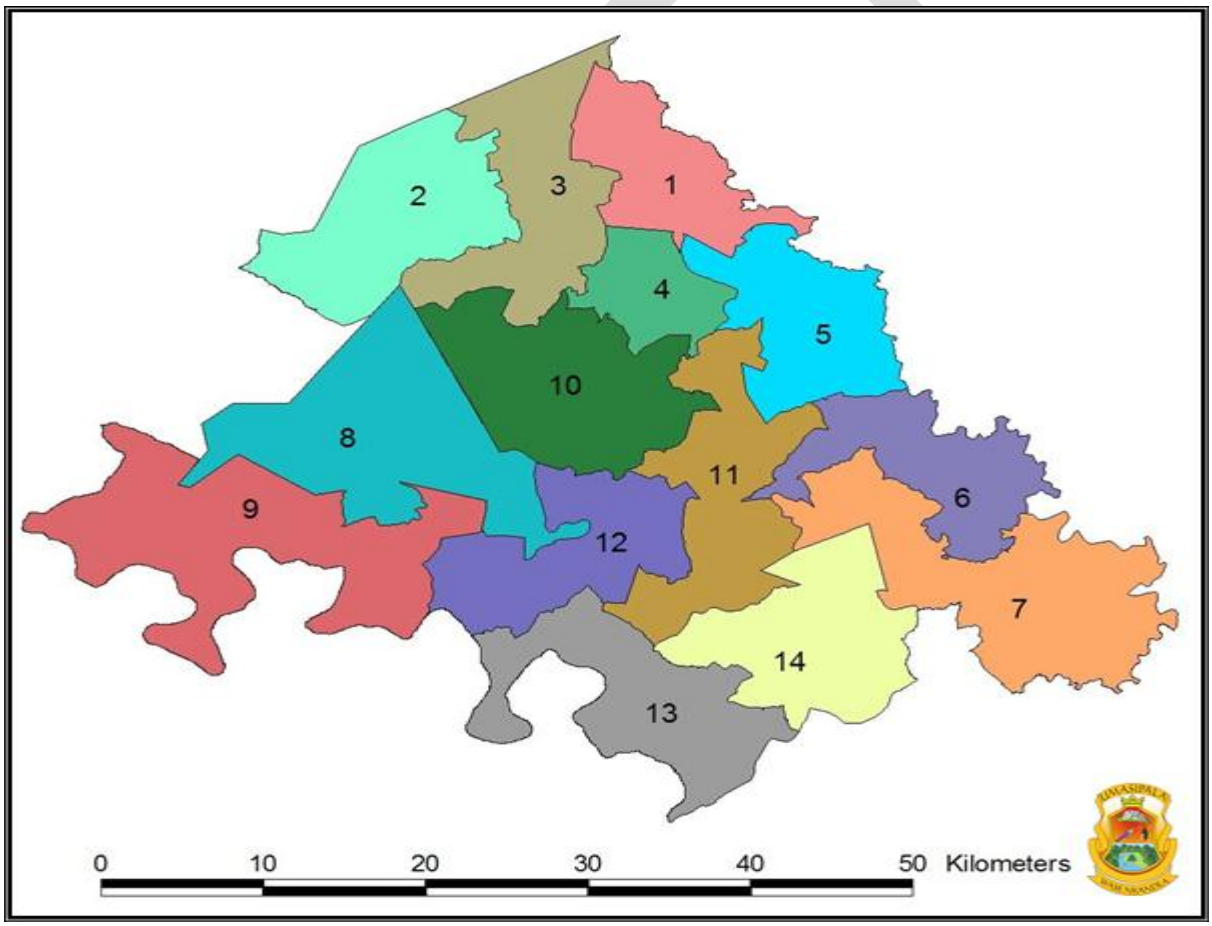


1.2 Municipal Wards in Nkandla

The municipality consists of 14 wards. Ward 5 of the municipality forms the urban node which offers economic activities and government services. The famous Nkandla Indigenous Forest and Amatshezimpisi Game Reserve is located in Ward 6. The municipality does not have any National Routes that traverse the municipality. The area is divided into five primary and secondary nodes being Nkandla (ward 01), Qhudeni (ward 08), Lindela (Ward 13), Dolwane (Ward 12) and Chwezi (Ward 01).

Map 3: Ward Map

The map below shows all 14 Wards of Nkandla Local Municipality.



1.3 Demographics of Nkandla Local Municipality

The total population currently in the Municipality is 114 416 as indicated by Statistics South Africa, 2011. The table below presents the population for the entire district of UThungulu and compares figures from 2001 and 2011. Nkandla Local Municipality indicates a decline in population and this can be attributed to the Lack of Job Opportunities, people of Nkandla are moving to other parts of the District especially to the City of Umhlathuze to look for employment opportunities, the municipality is also unable at this stage to provide a range of services and amenities to the communities therefore parts of the population are migrating.

	2001		**2011**	
Municipality	**Population**	**%**	**Population**	**%**
Umhlathuze	289 190	32.6	334 459	36.9
Nkandla	133 602	15.1	114 416	12.6
Mfolozi	106 942	12.1	122 889	13.5
Ntambanana	84 771	9.6	74 336	8.2
uMlalazi	221 078	25.0	213 601	23.5
Mthonjaneni	50 382	5.7	47 818	5.3
Uthungulu	**885 965**	**100.0**	**907 519**	**100.0**

Source: Statistics South Africa, Census 2001 and 2011

1.4 Current Economic Activities in Nkandla

Nkandla LM remains as one of poorest local municipalities within UThungulu district Municipality. The dominate economic activities in Nkandla LM is Subsistence Agriculture and the Trading of Livestock. Most of the people in Nkandla rely solely on Government social grants for survival. The following statistics gives the clear indication on the state of economic activities in Nkandla as a whole:

ECONOMIC ACTIVITY	**PERCENTAGE**
Subsistence Agriculture	16%
Informal Sector	13%
Local Wages	0,5 %
Migrant Remittances	20%
Government Grants	50 %
No Income	42,1 %

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Despite the bleak outlook of the current economic conditions of the municipality there is immense potential for growth in the economy in Nkandla owing to the innumerable opportunities that are available to investors in the tourism and services sectors respectively.

2. How the Nkandla 2015/16 IDP was developed

This section intends to describe how the Integrated Development Plan 2015/16 was developed. The IDP process commenced with the adoption of the IDP Process Plan in September 2014.The Process Plan defined the legislative background to the IDP, the responsible individuals and committees involved in the IDP process, the Process Plan also detailed how community participation would take place. Alignment to the various pieces of legislation, provincial priorities and district priorities was also stated. The Process Plan is critical in informing the budgetary process of Nkandla Local Municipality. Stakeholders Forums were held, Public Meetings and road shows were held in compliance with chapter 4 of Municipal Systems Act – Public Participation.

2.1 IDP Process & schedule for the Public Participation Meetings

Wards	Venue	Date	Venue	Date	Time
01	Chwezi TAC	23 Feb 2015		23 Feb 2015	09h00
02	KwaZondi TAC	03 Feb 2015	Mabhuqwini TAC	23 Feb 2015	09h00
03	Vimbimbobo	09 Feb 2015	Dlomo TAC	23 Feb 2015	13h00
04	Ngwegweni/ Thalaneni	05 Feb 2015	Ekukhanyeni TAC	23 Feb 2015	13h00
06	Mathiya	19 Feb 2015	Vumanhlamvu	27 Feb 2015	09h00
07	Wangu H. School	28 Jan 2015	Chube TAC	27 Feb 2015	09h00
09	Nhloshana	16 Feb 2015	Ngono TAC	23 Feb 2015	
10	Mvutshini TC	27 Feb 2015	Xulu TAC	27 Feb 2015	13h00
11	Mdlelanga/ Mtshwili School	28 Jan 2015	Ngomankulu	27 Feb 2015	09h00
11	Ngomankulu	30 Jan 2015	Chuphuchuku	28 Jan 2015	10h00
13	Manyana Hall	31 Jan 2015	Magwaza TAC	25 Feb 2015	13h00
14	Lindela TSC	05 Feb 2015	Lindela TSC	25 Feb 2015	13h00
05	Mpungose TAC	02 Mar 2015	Nkandla MPCC	04 Mar 2015	17H30

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2.2 Key Elements Addressed in this IDP Review

In preparing for this IDP review process various activities were embarked on to produce a credible document, this included consultation with internal and external role players. The review process addressed the following matters:

- MEC Comments regarding the IDP 2014/15
- Assessment by Provincial sector Departments on Draft Integrated Development Plan 2014/15
- IDP 2014/15 Assessment Report
- Internal Auditor's Report
- IDP Forums recommendations
- District Forums
- Alignment of Sector Plans
- Compliance with the IDP regulation Guidelines
- Council Strategic Plans
- Management Committee Contributions
- Public Comments
- Previous IDP's Information
- Concerns Raised by the Auditor General

3. What are our key challenges?

Nkandla municipality is faced with a number of development challenges which are caused by various factors most of which cannot be addressed by the municipality alone but requires intervention from other role players and stakeholders including government departments and the private sector.

Central to the development dilemma the municipality also faces a challenge to provide basic services to the communities of Nkandla and this is due to the municipality not having sufficient revenue and funding to cater for the demand of service delivery. Coupled with this the natural topography of the Municipality is undulating making infrastructure investment a costly process.

The following table outlines our key challenges as the municipality and further elaborates what we will do as the municipality to overcome the challenge.

Key Challenges	**Our Response to the Development Challenge**
▪ Lack of attraction of potential investors	▪ The municipality should develop and implement the Investment Strategy
▪ Nkandla is a landlocked municipality with poor road	▪ Review and Implementation of Local Economic Development

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networks	Strategy
▪ High unemployment Rate	▪ Sustainable Labour Intensive Projects through capital projects & Intensification of EPWP programme
▪ Grant Dependency	Development of Investment strategy within which a plan of increasing the revenue should be addressed
▪ Majority of land is privately owned which makes it difficult to develop	▪ Development of a strategy to engage with private land owners to develop the land
▪ Attraction and retention of skilled personnel e.g. engineers, accountants etc	▪ Review and Execution of Human Resource Strategy
▪ Lack of transfer of skills by Consultants	▪ Municipality to use the Terms of Reference for service providers to ensure that service providers that are appointed capacitate Municipal Officials.
▪ Limited employment opportunities ▪ Low education and skills levels	▪ Facilitate EPWP programs & Labour Intensive Capital Investment. ▪ Facilitation of Basic Education Programmes with the relevant department
▪ Unplanned and poorly coordinated development programmes/projects/ sector department's projects dumping zone.	▪ Improvement on Inter Governmental Relations

4. What is our long term Vision?

To be a high performing rural municipality driven by continuous improvement of quality of life for Nkandla Citizens

4.1. Mission

Nkandla Municipality renders effective service delivery encompassing nature and heritage to ensure poverty alleviation, sustainable economic growth and development.

5. What are our Municipal Goals?

The table below lists all Municipal Goals per each KPA.

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NATIONAL KPA : GOOD GOVERNANCE AND COMMUNITY PARTICIPATION GOAL 1 : GOOD GOVERNANCE			
STRATEGIC OBJECTIVES	**STRATEGIES**	**REF**	**KEY PERFOMANCE INDICATORS**
Decrease municipal risk through risk management	Develop/revision of Risk management plan		Approved risk management plan
To ensure efficient and effective internal and external communication	Hold quarterly IGR forums		Number of Sakume Sakhe war rooms established
	To participate in Municipal-wide health structures		Number of reports to standing committee
To promote a safe and healthy environment for the Nkandla	Establishment of functional ward committees		Number of ward committees established
			Number of ward committee meetings held
	effective functioning of Municipal HIV/AIDS council		Number of meetings held and community awareness events held
	Develop/review HIV/AIDS Strategy/plan		Approved HIV/AIDS Strategy/plan
	Regular sampling of food stuffs		Number of food stuffs sampled
	Physically challenged		community awareness events held
	Sports and youth		community awareness events held
	Gender issues		community awareness events held
	Senior citizen programmes		community awareness events held
	Inspection of food premises		Number of premises inspected
	Surveillance and prevention of communable diseases		community awareness events held
Attain effective and efficient municipal administration	Develop/review Audit Plan		Adopted Audit Plan
	Hold quarterly Audit Committee meetings		Number of Audit Committee meetings held
NATIONAL KPA : MUNICIPAL TRANSFOMATION AND INSTITUTIONAL DEVELOPMENT GOAL 2: INSTITUTIONAL DEVELOPMENT			
To improve service delivery and the image of the municipality	filling of vacant positions as per the revised organogram		No. of critical posts filled

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	Filling of identified critical posts		No. of critical posts filled
Organizational skills development and capacity building	Development of a training program		Developed training program
	Skills development plan adopted		Adopted skills development plan
	Implementation of Skills Development Plan		% of budget spent on implementation of WSP
Strengthen and improve employment equity in the municipality	Employment equity plan adopted and implementation		No. of people form employment equity target groups employed in the three highest levels of management in compliance with approved equity plan
	Implementation of Employment equity plan		% of women appointed in S54/56 posts
Attain effective and efficient municipal administration	Develop and adopt I.T. Governance Framework		Developed & adopted I.T. Security Policy
	Administer council portfolio committee meetings		Number of portfolio committee meetings
	Administer Executive committee meetings		Number of Executive committee meetings held
	Administer council meetings		Number of council meetings held
	Develop/review PMS policy framework		PMS Framework/Policy reviewed and adopted
	Submit quarterly performance reports to Internal audit		Number of PMS reports submitted
	Hold quarterly Performance Audit Committee meetings		Number of PAC meetings
	Submission of annual report to AG		Annual report submitted
	Develop/review communication framework/strategy		Adopted communication framework/strategy

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NATIONAL KPA : LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT GOAL 3:SOCIAL AND ECONOMIC DEVELOPMENT			
To improve the quality of life through social infrastructure development	contract Management		Number of resolutions/projects
To create a conducive environment for socio - economic growth	Establish a LED Forum		Established LED Forum
	Establish a Tourism Forum		Established Tourism Forum
	To ensure the functionality of LED Forum		Number of meetings
	To ensure the functionality of Tourism Forum		Number of meetings
	Develop/review LED Strategy		Adopted LED strategy
	Implement LED Strategy		Number of SMME's supported
	Job creation through LED projects		Number of projects
	Create Number of jobs		Number of Jobs created
	Develop/review LED Strategy		Adopted LED strategy
	Implement Tourism Strategy		Number of projects
			Established agency
NATIONAL KPA : BASIC SERVICE AND INFRASTRUCTURE DEVELOPMENT GOAL 4: SUSTANABLE INFRASTRUCTURE AND SERVICE DELIVERY			
To improve quality of life through social infrastructure development	Update indigent register		Approved Indigent Register
	Provide free basic services to all indigent households		Number of existing households with access to free basic services in terms of the indigent register
	Effective expenditure of infrastructure grants (100%)		% of Infrastructure Grants spend
	Effective expenditure of infrastructure grants (100%)		% of Infrastructure Grants spend

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	Develop Municipality Basic infrastructure		Reviewed and adopted master plan
	development programme		Reviewed and adopted master plan
	Through monitoring of implementation of the RRUP		Operations and maintenance Plan
			Number of Km completed
	Awareness campaigns		Number of communities covered
	Through the development and implementation of an infrastructure refurbishment plan		Completed/approved infrastructure refurbishment plan
			Developed business plan
	Through the sourcing of funding to implement the infrastructure refurbishment		Amount of funding sourced
NATIONAL KPA :FINANCIAL VIABILITY AND MANAGEMENT **GOAL 5:SOUND FINANCIAL MANAGEMENT**			
1.Advance and maintain the financial viability of the municipality	Through enhancing revenue collection Improve debt management		Percentage of annual collectors rate/debt coverage (reg 10(g)(i))
	Maintain acceptable norm of municipal liquidity management		Ratio of cash/cost coverage of monthly fixed operating commitments (reg 10(g)(iii))
	Raise the amount of invoices billed to customers		Amount value of invoices billed
To improve institutional efficiency through adequate systems and effective internal controls	To decrease wasteful expenditure		Amount of irregular, fruitless and wasteful expenditure
	Develop/update fraud prevention plan		Approved fraud prevention plan
	Minimise service delivery distribution		Percentage loss of potential revenue of services

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	losses		delivered
	Develop/update SCM Policy		Approved SCM Policy
	Develop/update Investment Policy		Approved Investment Policy
	Develop/update Budget Policy		Approved budget policy
	Develop/update Indigent Policy		Approved Indigent Policy
	Risk assessment development/review		Adopted Risk Assessment
Improve the financial performance of the municipality	Increase/maximise the budget amount spent in the municipality		Percentage of total municipal budget spent
Optimize budget implementation in the municipality	Increase/maximise the capital budget amount spent in the municipality (asset management		Percentage of total municipal budget spent
NATIONAL KPA: CROSS CUTTING INTERVENTIONS **GOAL 6 : ENVIRONMENTAL DEVELOPMENT AND MANAGEMENT**			
To promote a safe and healthy environment for Nkandla community	To establish a functional Disaster Management Centre		Reviewed management plan
			Established disaster management Centre
	To swiftly respond to incidents of disaster		Percentage/number disaster equipment procured
			Number of staff recruited
	To ensure the functionality of the Disaster Management Advisory Forum		Number of meetings convened within 24hrs after the disaster
	To capture all infrastructure on GIS		Percentage infrastructure captured
			Percentage infrastructure captured
			Number of identified Environmental Management
	Implementation of the Environment Management Framework		Plans/programmes implemented

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6. What are our Municipal Objectives and Strategies?

The municipal Development Objectives are mainly orientated and aligned to National Key performance areas (KPA's) which are the following:

- Institutional Development & Transformation
- Basic Service Delivery
- Good Governance & Public Participation
- Local Economic Development
- Financial Viability

The following table depicts the strategies set out by the municipalities that have aspects that can be spatially manifested.

NATIONAL KEY PERFOMANCE AREA	STRATEGIC OBJECTIVES	STRATEGIES
A. Good governance, community participation, and ward committee systems	To ensure efficient and effective internal and external communication	Hold quarterly IGR forums
		To participate in Municipal-wide health structures
	To promote a safe and healthy environment for the Nkandla	Establishment of functional ward committees
		effective functioning of Municipal HIV/AIDS council
		Develop/review HIV/AIDS Strategy/plan
		Regular sampling of food stuffs
		Physically challenged
		Sports and youth
		Gender issues
		Senior citizen programmes
		Inspection of food premises
		Surveillance and prevention of communable diseases
	Attain effective and efficient municipal administration	Develop/review Audit Plan
		Hold quarterly Audit Committee meetings
B. Municipal Transformation and institutional development	To improve service delivery and the image of the municipality	filling of vacant positions as per the revised organogram
		Filling of identified critical posts
		Development of a training

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	Organizational skills development and capacity building	program
		Skills development plan adopted Implementation of Skills Development Plan
	Strengthen and improve employment equity in the municipality	Employment equity plan adopted and implementation
	Attain effective and efficient municipal administration	Develop and adopt I.T. Governance Framework
		Administer council portfolio committee meetings
		Develop/review PMS policy framework
		Submit quarterly performance reports to Internal audit
		Hold quarterly Performance Audit Committee meetings
		Submission of annual report to AG
		Develop/review communication framework/strategy
C. Local economic development and social development	To improve the quality of life through social infrastructure development	contract Management
	To create a conducive environment for socio - economic growth	Establish a LED Forum
		Establish a Tourism Forum
		To ensure the functionality of LED Forum
		To ensure the functionality of Tourism Forum
		Develop/review LED Strategy
		Implement LED Strategy
		Job creation through LED projects

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		Number of jobs
		Develop/review LED Strategy
		Implement Tourism Strategy
D. Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	Update indigent register
		Provide free basic services to all indigent households
		Effective expenditure of infrastructure grants (100%)
		Effective expenditure of infrastructure grants (100%)
		Develop Municipality Basic infrastructure
		development programme
		Through monitoring of implementation of the RRAMS
		Awareness campaigns
		Through the development and implementation of an infrastructure refurbishment plan
		Through the sourcing of funding to implement the infrastructure refurbishment
E. Financial Viability and management	1.Advance and maintain the financial viability of the municipality	Through enhancing revenue collection Improve debt management
		Maintain acceptable norm of municipal liquidity management
		Raise the amount of invoices billed to customers
	To improve institutional efficiency through adequate systems and effective internal controls	crease wastefull expenditure
		Develop/update fraud prevention plan
		Minimise service delivery distribution losses
		op/update SCM Policy

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		pp/update Investment Policy
		Develop/update Budget Policy
		Develop/update Indigent Policy
		Risk assessment development/review
	Improve the financial performance of the municipality	Increase/maximise the budget amount spent in the municipality
	Optimize budget implementation in the municipality	Increase/maximise the capital budget amount spent in the municipality (asset management
F. Cross cutting measures	To promote a safe and healthy environment for Nkandla community	To establish a functional Disaster Management Centre
		To swiftly respond to incidents of disaster
		To ensure the functionality of the Disaster Management Advisory Forum
		To capture all infrastructure on GIS
		Implementation of the Environment Management Framework

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1.12 How will we Measure our Performance?

The municipality has adopted Performance Management Framework that aims to guide all sorts of performance aspects. Further to that the entity has aligned and identified development challenges with key performance areas of the municipality as an element of the Performance Management System, this includes Service Delivery and Budget Implementation Plan and the individual Performance Plans for Section 57 Management and all other Senior Managers. The performance of the Municipality is therefore dependent on the performance of all management committee. Key performance areas are deliberately aligned with responsible manager or HOD, as directors of each directorate in Chapter 6 of the IDP. Development and adoption of SDBIP's is followed by strict monitoring and reporting on quarterly basis. Mid-Year report forms part of half yearly assessment on targets set at the beginning of that particular year.

Key Performance Area	**Responsible Unit**
Monitoring , Evaluation, Compliance and Reporting -	Office of the Municipal Manager
Municipal Transformation and Institutional Development	Corporate Services
Service Delivery and Infrastructure Development	Technical Services
Local Economic Development	Community & Social Services
Financial Viability and Management	Budget & Treasury
Good Governance and Public Participation	Office of the Municipal Manager

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SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES

- The discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst also promoting densification. Future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or that link the main growth centres (DFA Principles)
- The direction of new development towards logical infill area (DFA Principles)
- Compact urban form is desirable (DFA Principles)
- Development should be within limited resources (financial, institutional and physical). Development must optimize the use of existing resources and infrastructure in a sustainable manner (DFA Principles, CRDP, National Strategy on Sustainable development)
- Stimulate and reinforce cross boundary linkages.
- Basic services (water, sanitation, access & energy) must be provided to all households (NSDP)
- Development/ investment should be focused on localities of economic growth and/or economic potential (NSDP)
- In localities with low demonstrated economic potential, development/investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes (NSDP)
- Land development procedure must include provisions that accommodate access to secure tenure (CRDP)
- Prime and unique agriculture land, the environment and other protected lands must be safely utilized
- Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development
- If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity ("Breaking New Ground": from Housing to sustainable Human Settlements)

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- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development)
- Environmental responsible behavior must be promoted through incentives and disincentives (National Strategy on Sustainable Development, KZN PGDS)
- The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (KZN PGDS)
- Planning and subsequent development must strive to provide the highest level of accessibility to resources, services & opportunities (KZN PGDS)

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SECTION B 2: GOVERNMENT PRIORITIES

7. Introduction

We at Nkandla Local Municipality are aware that we are part of the broader network of spaces; we form part of the uThungulu District Municipality which is one of ten district municipalities within the province of KwaZulu Natal which then is a province in the country of South Africa. Due to the nature of our composition it is imperative that we take cognizance of planning policy, programs and paradigms of the three spheres of government and ensure that we align our planning and development to priorities of the district of UThungulu, Province of Kwa Zulu Natal and our country South Africa. We also acknowledge that we share our municipal boundary with various other district municipalities including UMkhanyakude District, Zululand District and ILembe District which implies that we must understand the development dynamics of these district municipalities and where possible use the developments of these municipalities to enhance our own municipal growth and development. This section of the IDP reflects on all the planning policy and programs of the three spheres of government that impact on our local municipality of Nkandla.

7.1 Millennium Development Goals

The Millennium Development Goals are eight international development goals that all 192 United Nations member states have agreed to achieve by the year 2015. The aim of the MDG's is to encourage development by improving social and economic conditions. It provides a framework for the entire international community to work together towards a common end. i.e. Making sure that human development reaches everyone everywhere. The MDG's focus on three main areas of human development viz. bolstering human capital, improving infrastructure and increasing social, economic and political rights. If these goals are achieved World poverty will be reduced, lives will be saved and people will have the opportunity to benefit from the global economy.

GOAL NO	MILLENIUM DEVELOPMENT GOAL
1	Eradicate extreme poverty and hunger
2	Achieve Universal Primary Education
3	Promote gender equality and empower women
4	Reduce child mortality
5	Improve maternal health
6	Combat HIV/AIDS, malaria and other diseases
7	Ensure environmental sustainability
8	Develop a global partnership for development

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7.3 National policy & Programmes

7.3.1. National Development Plan Vision 2030

National Government has released a National Development Plan which is commonly referred to as Vision 2030. The aim of the plan is to improve the lives of the citizens of South Africa. Within the plan there are key priority areas which are listed below:

- An economy that will create more jobs: 11 million jobs will be created by 2030 through sustainable employment, promotion of labour absorbing industries, inclusive economic growth and export competitiveness;
- Improving economic infrastructure, through freight and logistics, industrial and economic development infrastructure;
- Transition to a low carbon economy, through installation of 5 carbon budgeting, installing 5 million solar water heaters by 2030 and creating an energy efficient economy;
- An inclusive and integrated rural economy where South African rural communities will be provided with opportunities to participate fully in the social and political life of the country that are underpinned by quality education, health, transport and other basic services;
- Reversing the spatial effects of apartheid through the transformation of human settlements by the provision of reliable public transport, moving jobs and investment towards dense townships and improving liveability of Cities;
- Improving the quality of education, training and innovation by focusing on early childhood education, competitive secondary education, FET‟s and higher education that will contribute to knowledge intense economy;
- Quality healthcare for all;
- Social protection, through social protection coverage such as retirement savings, public employment that will create work opportunities, especially youth and women and expansion of social welfare services;
- Building safer communities, through building confidence to the criminal justice system, enhancement of CPF‟s, making police services professional, demilitarizing the service as well as building community participation element in community safety;
- Reforming and professionalizing the public service, by enhancing the administrative section of the public service and ensuring that the heads of department perform both their administrative and social duties diligently;
- Fighting corruption through deterrence, education as well as prevention;
- Transforming the society and uniting the country through economic inclusion, education and skills development, promotion of mutual respect, inclusiveness

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and cohesion by acting on constitutional standing that South Africa is for all who belong to it;

The National Development Plan provides a paradigm shift whose focus is to involve communities, youth, workers, the unemployed, and business partnerships with each other, so as to develop a more capable state, to develop capabilities of individuals and the country, as well as to create opportunities for the whole of South Africa.

Nkandla LM notes the priority areas of the National Development Plan and elements of the plan are already included in the strategic objectives of our key performance areas.

7.3.2. 14 National Outcomes of Government-Outcome 9

The 14 National Outcomes are a product of the ruling parties manifesto. This manifesto identified 5 priority areas which are: decent work and sustainable livelihoods, education, health, rural development; food security and land reform and the fight against crime and corruption. Out of the priority areas identified 14 outcomes with specific outputs and strategic activities. Of the 14 National Outcomes local government needs to respond to Outcome 9.

The aim of Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved viz.:

1. Implement a differentiated approach to municipal financing, planning and support;

2. Improve access to basic services;

3. Implementation of the Community Work Programme;

4. Actions supportive of the human settlement outcome;

5. Deepen democracy through a refined Ward Committee Model;

6. Improve administrative and financial capability;

7. A single window of coordination.

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The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently

7.4. STATE OF THE NATION ADDRESS 2015

President Jacob Zuma delivered his State of the Nation Address (SoNA) in Parliament on the 12 February 2015. The President mentioned that ***"The year 2015 is the year of the Freedom Charter and Unity in Action to Advance Economic Freedom. It is the year of going the extra mile in building a united, democratic, non-racial, non-sexist and prosperous South Africa. It is also the year of rededicated ourselves to eradicate racism and all related intolerances in the country. It is also the year of investing more in our future, by educating our children and the youth about the rich heritage of this country"*** **–President Jacob Zuma, State of the Nation Address**

The President also unveiled a nine-point plan to ignite growth and create jobs. This 9 point plan focusses on the following:

1. Resolving the energy challenge
2. Revitalising agriculture and the agro-processing value chain
3. Advancing beneficiation or adding value to the mineral wealth
4. More effective implementation of a higher impact Industrial Policy Action Plan
5. Encouraging private sector investment
6. Moderating workplace conflict
7. Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.
8. State reform and boosting the role of state-owned companies, information and communications technology infrastructure or broadband roll-out, water, sanitation and transport infrastructure.
9. Operation Phakisa, which is aimed at growing the ocean economy and other sectors.

Our Planning at Nkandla revolves much on what the President has identified as his nine point plan. Rural Development, Agriculture Revitalization and youth development are also part of our priority list. A key to our development which the President also refers to is Private Sector Investment. The Private Sector has been identified as a relevant role player

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7.5. Back to Basics Programme

The Back to Basics Programme has been introduced by the Department of Co-operative Governance and Traditional Affairs in 2014. COGTA has done an indepth analysis on the functionality of municipalities in the country and have found that some municipalities are not functioning optimally. The Back to Basics Programme has now been introduced to municipalities to ensure that local government fulfills its development mandate.

According to the Minister of COGTA, Back to Basics refers to the following:

1. Putting people first : Lets listen and communicate
2. Adequate & community oriented service provision
3. Good governance administration
4. Sound financial management & accounting
5. Robust institutions & administration

We at Nkandla will be prioritizing the Back to Basics Program and will ensure that our planning and implementation is reflective of the programme.

7.6 Provincial policy & Programmes

7.6.1 Provincial Growth and Development Strategy

In February 2011 the KZN Provincial Executive Council Tasked the Provincial Planning Commission to undertake a review of and to prepare the 2011 KZN Provincial Growth and Development Strategy to drive and direct growth and development in the province to the year 2030. The PGDS consists of a strategic analysis of the current growth and development situation in the Province, and sets a vision on where the province aims to be in 2030. It identifies 7 strategic goals and 30 strategic objectives that will drive the province towards this vision. After a broad consultation process, the PGDS was adopted in principle by Cabinet, noting the need to prepare a detailed implementation plan in the form of a Provincial Growth and Development Plan. After the provincial Lekgotla in February 2012, both the PGDS and the draft PGDP were made available for public comment before final adoption by cabinet in August 2012.

The PGDS outlines 7 Strategic Goals which are listed below and which should inform planning at District and Local Level.

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Diagram 1: PGDS 7 Strategic Goals

7.7 State of the Province Address

The Premier of KwaZulu Natal Mr Senzo Mchunu delivered his state of the Province address on the 27th of February 2015. Under the theme "Consolidating the progress we have made, and stepping up the pace to achieve radical socio-economic transformation to end poverty in our lifetime" The Premier managed to cover all urgent areas which define the constituencies of this province. The Premier continued with the legacy of subjecting his government to a tight deadlight of 100 days to keep his progress and delivery in check. Some of the achievements that the Premier listed include:

1. Alignment of the NDP with 14 outcomes expressed in the Medium Term Strategic Framework
2. Adoption of the 2014 Vision of the Provincial Growth Development Plan to ensure that all departments work towards improving economic growth of the province
3. Employment has increased from 2170 000 in 2010 to 2419 000 in 2014

4. Successfully concluded Operation Phakisa or Ocean Labs. These are directed at Poverty Eradication and Job Creation
5. Government has ensured that Dube Trade Port is declared as Industrial Development Zone in order to attract exports capabilities
6. Ensured the completion of Richards Bay Industry Development Zone which is aimed at improving and coordinating the functioning of the port thus improving economic outputs and job creation.
7. Delivered on the slums clearance project in Jika Joe, Groutville, Masinenge, and Umzito.Building of house in these areas is in progress
8. Government has recommitted itself to develop Dukuduku Project without relocating people
9. Four sites have been identified for development of Techno-hubs and incubation centres in Newcastle, Pietermaritzburg, Hibiscus and Umhlathuze.
10. 30 students from KZN have been sent to Mampal University in India to be trained as pharmacists

Nkandla Local Municipality is fortunate to be part of the Uthungulu District where the Richards Bay Industrial Zone is located. Nkandla LM can use the Richards Bay IDZ as a gateway to foreign markets.

7.8 District Planning

7.8.1 District Growth and Development Plan

The uThungulu District Growth and Development Plan is a development plan developed by the District Municipality of uThungulu. It was subsequently agreed that for the province to realise the goals as identified and detailed within the PGDP, each district municipality and the metro need to develop a District Growth and Development and Metro Growth and Development Plan that will extract all issues of execution from the PGDP in their jurisdiction in order to further the implementation of the issues as prioritised. The February 2012 Lekgotla thus resolved that the Provincial Planning Commission and COGTA support district Municipalities with the development of District Growth and Development Plans as part of the current 2012/2017 IDP process.

The following diagram illustrates the linkage between the National Development Plan, the Provincial Growth and Development Strategy, District Growth and Development Plan and further shows the linkage that the DGDP has to the IDP both at district and local level.

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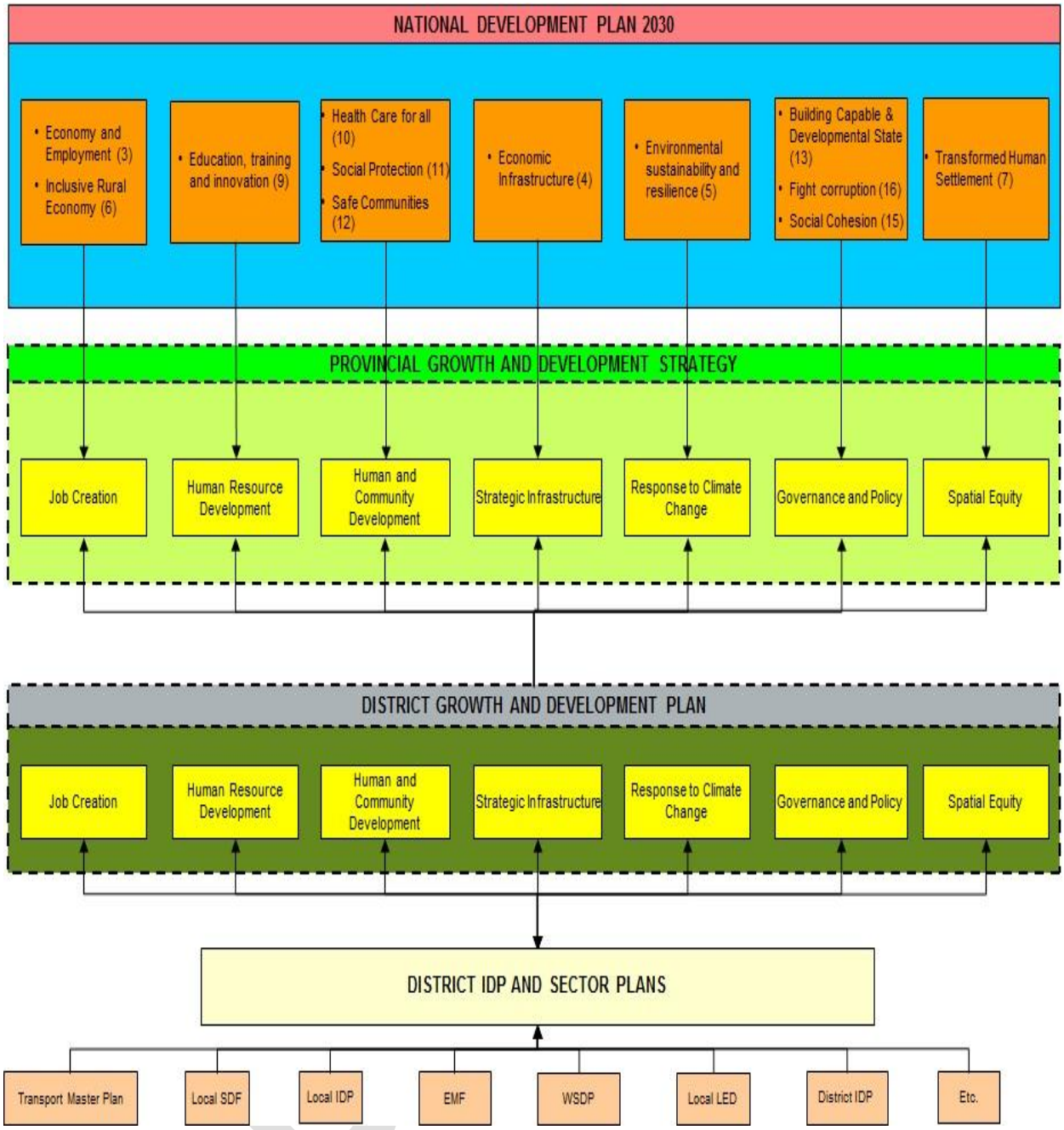
NATIONAL DEVELOPMENT PLAN 2030
• Economy and Employment (3)
• Inclusive Rural Economy (6)
• Education, training and innovation (9)
• Health Care for all (10)
• Social Protection (11)
• Safe Communities (12)
• Economic Infrastructure (4)
• Environmental sustainability and resilience (5)
• Building Capable & Developmental State (13)
• Fight corruption (16)
• Social Cohesion (15)
• Transformed Human Settlement (7)
PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY
Job Creation
Human Resource Development
Human and Community Development
Strategic Infrastructure
Response to Climate Change
Governance and Policy
Spatial Equity
DISTRICT GROWTH AND DEVELOPMENT PLAN
Job Creation
Human Resource Development
Human and Community Development
Strategic Infrastructure
Response to Climate Change
Governance and Policy
Spatial Equity
DISTRICT IDP AND SECTOR PLANS
Transport Master Plan
Local SDF
Local IDP
EMF
WSDP
Local LED
District IDP
Etc.

SECTION C: SITUATIONAL ANALYSIS

8.0 Introduction

The following section provides a detailed analysis of our demographic profile at Nkandla with the aim of providing an indepth understanding of our people and at the same time indicating what we need to do to ensure that development takes place that responds to our current situation. Besides referring to our demography in this section we have also responded to the six key performance areas that have identified to ensure that development takes place holistically. Situational Analysis informs the identification of key issues in doing this spatial analysis is critical. These key issues are the focus areas for municipal, public (and private) investment for the next Integrated Development Plan cycle. Over the years the Nkandla Municipality has focused the operations, actions and interventions according to the following five Key Performance Areas and they are in line with the National Key Performance Areas:

SECTION C 1: CROSS CUTTING INTERVENTION ANALYSIS

8.1 Regional Context

Nkandla LM forms part of uThungulu District (DC28). The district consists of six local municipalities namely: The municipality is surrounded by the following local municipalities: Ulundi to the north, Nquthu in the north-west, Msinga in the west, uMvoti in the south-west, Maphumulo in the south, UMlalazi in the south east and UMthonjaneni in the east.

- **Mfolozi KZ281**
- **Umhlathuze KZ282**
- **Ntambanana KZ283**
- **UMlalazi KZ284**
- **Mthonjaneni KZ285**
- **Nkandla KZ286**

The municipality is in western area of uThungulu District (DC28). It is situated close to the country's two largest ports, lying about 130 kilometers inland from Richards Bay and 250 km north of Durban. Nkandla Town is classified as a Rural Service Centre (RSC) and a Provincial Rural Administrative Centre (PRAC), is the only formalized urban area located within Nkandla situated approximately 50 kilometers south-west of Melmoth and 65 kilometers from Eshowe. It is isolated from the major economic development corridors: access is via a main tar road from Melmoth, and tar road from Eshowe, Kranskop and Nquthu.

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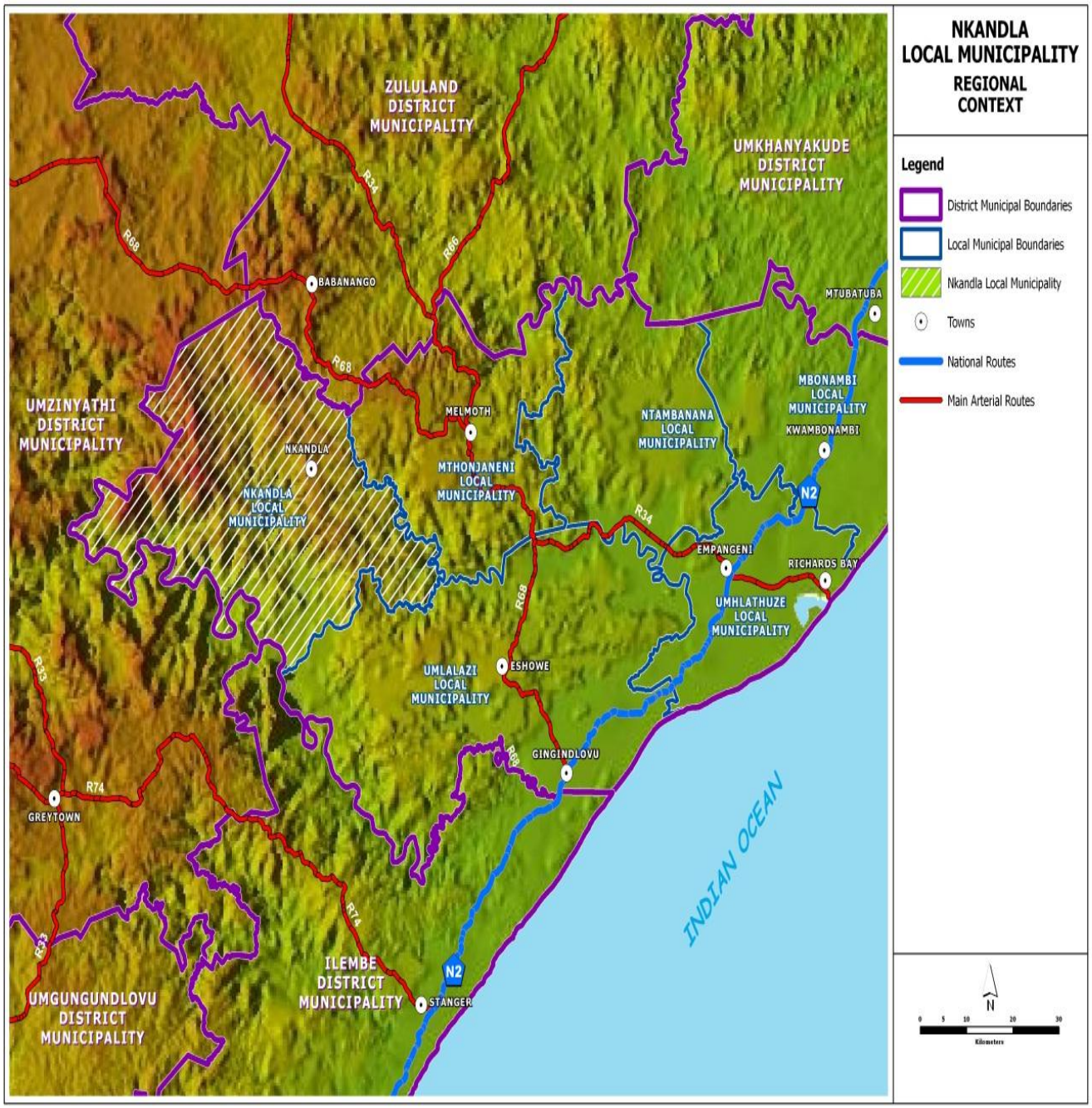
Map: Regional Context Map

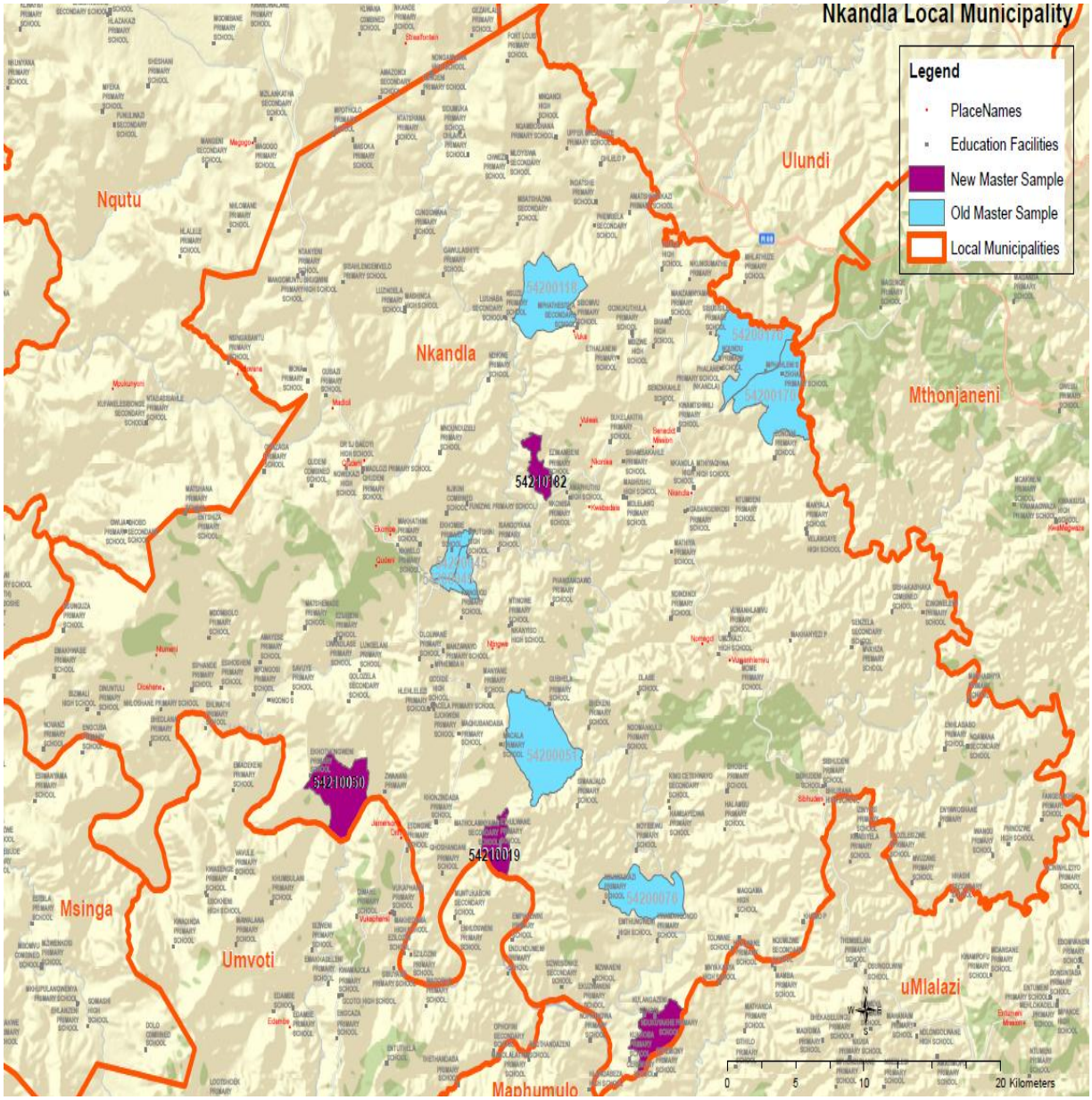
The Map below shows the Regional Context of Nkandla Local Municipal.



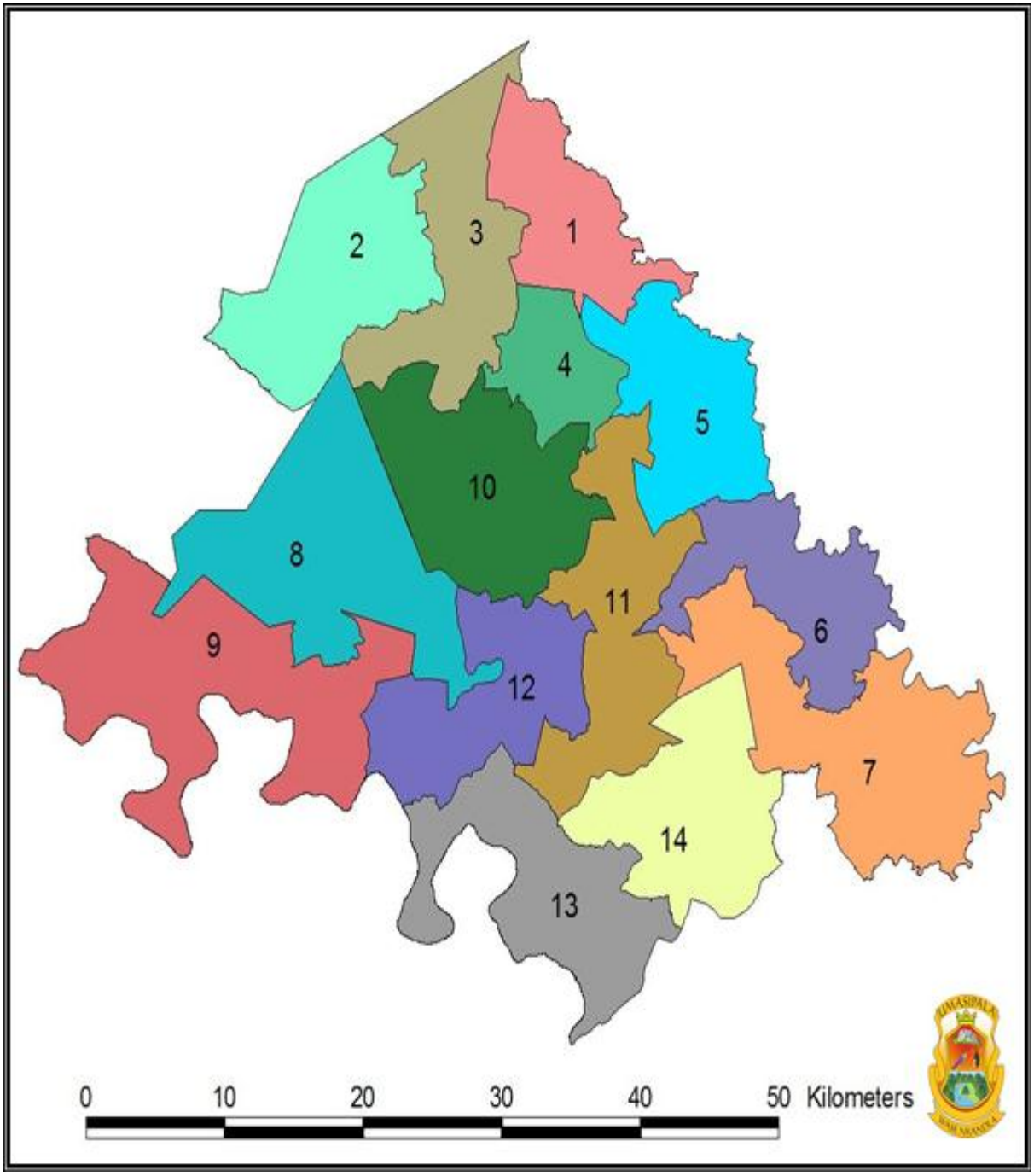
8.2 Our Municipal Area in Detail

The Nkandla town is located in ward 5 on the north-east of the municipal boundary and a Nature Reserve in a form of Nkandla Indigenous Forest and Amatshezimpisi Game Reserve in Ward 6.The municipality is surrounded by the following local municipalities: Ulundi to the north, Nquthu in the north-west, Msinga in the west, uMvoti in the south-west, Maphumulo in the south, UMlalazi in the south east

- The Map below shows the land cover of Nkandla Municipality



Map : Ward Map



8.3 EXISTING NODES & CORRIDORS

8.3.1 Development Nodes

Nkandla Town is the only urban node within the municipality. It serves as a vital function to communities within the entire municipal area and the structured planning and compaction of the town on already limited land resources is important for its continued growth and functioning. The town is characterised with dilapidated buildings and illegal structures. The municipality is isolated from national roads, as well as from major economic development corridors and towns. Plans are in place to rehabilitate the Nkandla town including interventions by the provincial department and the district to beautify the town and demolish, remove illegal structures. The objective is to attract investments by allocating 50% of the annual budget to capital projects as well as landscaping, park development, development of trading space.

In terms of the functions assigned to a Main Economic Development / Services Node, Nkandla will have to:

- Serve as municipal administrative centre;
- Provide services and opportunities to higher density settled areas such as Machubeni, Ndweni, Mqubeni, Madiyani, Mjahweni, Emaromeni and Ngwegweni;
- Contain residential accommodation, financial services, health services, communication facilities and SMME facilities;
- Serve as a transportation node, specifically geared towards passenger services; and
- Serve as the locality for the establishment of infrastructure such as sports facilities, cemeteries, landfill sites, and so forth.

❖ **Nodal Maps**

Nkandla Nodal Development framework contains more information on development nodes for the municipality. This is a summary of what is contained in a detailed nodal framework; for more information on strategic mapping please refer to section five which contains details on this regard. The municipality intends to align the operations into unlocking these nodes once the LED Strategy review has been finalized

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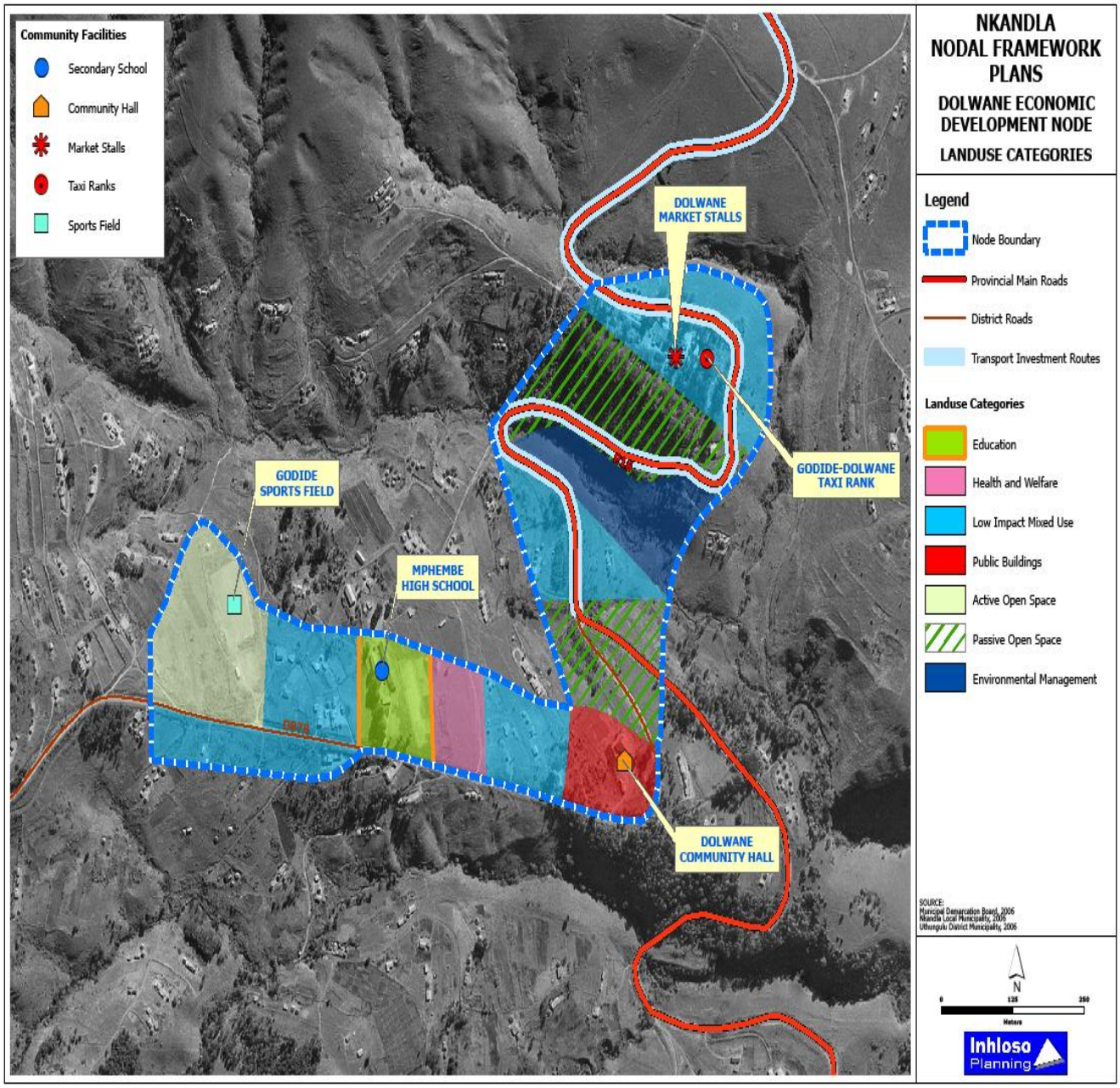
Map: Nodal Map



- **Qhudeni Development Node**

Qhudeni is mentioned in the Nodal Development Framework however it is not discussed as a separate development framework. The proposals are based on information gathered through consultations with other stakeholders. Apart from Nkandla, Qhudeni is the only node with Formal Registered erven, which are all registered in the name of Department Land Affairs (Now Rural Development & Land Reform):

Map: Qhudeni Development Node

❖ **Nkandla Urban Edge**

Nkandla is the only urban node within the municipality serves as a vital function to communities within the entire municipal area and the structured planning and compaction of the town on already limited land resources is important for the continued growth.

Map: Urban Edge Map

- **Development Corridors**

Development Corridors are the major structuring element for determining the existing and future concentration of development activity and investment that consists of an access and movement hierarchy that has been established through the major internal and external national and provincial linkages. This provides access to the main centre (Nkandla Town), Economic Development Areas, Service Areas, Tourism Areas, Agricultural and Forestry Development Areas, adjoining municipalities, existing settlements within Nkandla Municipality, etc. Movement routes, such as the P50, P90, P226, P707, P706, P708, and other roads within the municipality are considered the 'glue' that holds the area together by providing internal and external access. Movement Routes also provides accessibility to services – both infrastructural and facilities. Movement routes that Inter alia require upgrading includes P16 (Jameson's Drift to Qhudeni) which will link uMvoti and Nquthu via Nkandla LM and P707.

- **Regional Development Corridor**

The following roads have been identified as the main transport investment areas:
The P50 - being upgraded to black top via the African Renaissance Road Upgrading Programme – ARRUP.
It has been identified as a main transport investment route due to it being recognized as such through the ARRUP Programme and traverses the municipal area, providing direct access to:

- The towns of Eshowe, Nkandla and Nqutu.
- Esibhudeni Tourism Node,
- Nkandla Natural forest,
- Nkandla Town,

There are dense settlements that occur along this route, and a number of roads branch off this route (P226 to Melmoth, P90 to Maphuthu, P90 Tourism Node and Dolwane, the P707 to the Ekukhanyeni Service Node. It also traverses through the proposed Chwezi Economic Development Node;

- **Secondary Corridor**

The following secondary corridors have been identified which Nkandla (Through the P50) to the following areas:

- The P226 links Nkandla to Melmoth; and

- The P90 - Traverses the Maputhini Service Node and the P90 Tourism Node. It links Nkandla Town with the proposed Dolwane Economic Development Node.

These roads also serve as link roads to neighbouring towns and Local Authorities.

Public interventions envisaged in this area relate to:

- Tarring of roads which will provide transport services access to the remote regions, and open up additional economic opportunity in opening the areas. Accessibility is of key importance.

- Developing a localised Corridor Development Strategies which will focus on spatial structure, infrastructure provision and attracting both public and private sector investment.

- Ensure multimodal transport integration occur along these roads at key points.

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- **Private Sector Development interest in Nkandla**

As part of Public Private Initiatives the municipality has established relations in order to develop the town and other surrounding areas. The projects mentioned below will be finalized soon. These projects range from small, medium and large in terms of the amount of scale:

- Subdivision of Portion of Nkandla Townlands Erf 5000 Nkandla for the development of a Shopping Mall
- Consolidation of Erf 136,137,138, 139, 140, 141, 154,155, and 156 Nkandla for the development of a Petrol Filling Station.
- Extension of an existing Petrol Filing Station on Erf 490 Nkandla
- Development of a Shopping centre on Erf 101 Nkandla
- Development of Furniture Shops on Erf 172 Nkandla
- Development of Bizimali Student Residents at Mfongosi
- Development of Zulu Traditional Hotel in old fashion beehives at Izindlozi Traditional Authority.
- Gated housing development in Nkandla town

8.4 Environmental Analysis

8.4.1 Nkandla Environmental Analysis

Nkandla has a very clean air due to unavailability of industries that pollute air; work still needs to be done to ensure environmental preserving. Partnership with the National Department of Environmental Affairs will see a lot projects being implemented this financial year and beyond. The municipality is getting environment support from the Department of Environmental Affairs offices from district, provincial and national. Nkandla has received funding from the department to fund Environmental Projects.

8.4.2 Environmental Aspects

8.4.2.1 Bio-diversity

Nkandla Municipality has enough wetlands including water stream. Initiatives need to be done to protect wetlands; there are control measures/ precautions to be used where threats arise. Apart from the wetland, Nkandla has two indigenous forest protected and managed by Ezemvelo KZN Wildlife.

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8.4.2.2 Water Sources

Nkandla Municipality has a number of different water sources including three large rivers (Uthukela, uMhlathuze and Nsuze), underground water, streams, springs, etc.

8.4.2.3 Geomorphology

This can be defined as the study of the processes and pressures operating on river systems. Changes in the independent variables of discharge, sediment load supplied to reach, and valley slope give rise to adjustments in the dependent variables of sediment load and particle size, hydraulic characteristics, and morphologies, all of which interact with each other.

The Municipality has mechanisms/ structures that capacitate and engage the local communities on environmental issues. They include a environmental management forum, incident management committee, etc. Awareness campaigns are held in Nkandla in terms disaster and environmental management. District and Provincial policies are used for enforcement purposes in these areas. The municipality will be implementing a greening & environmental management project for the next two years, where a stream and indigenous trees in town will be protected. As part of this project SMMEs will be developed & funded in the recycling business. Some of the streams and plant are managed by Ezemvelo KZN Wildlife as they are in protected areas.

8.4.3 Development Objectives & Activities

Development Objective	**Environmental management Activities**	**Budget**
To promote self-sustenance through capacitating Nkandla's community, with emphasis on vulnerable groups	Development of a Park	Capital Budget/ Other Government Departments/ Agencies
	Town landscaping	
	Planting of Trees	

8.4.4 Environmental Projects

Recreation Park Development
Development of a Land Fill Site
Town Cleaning and Greening Project

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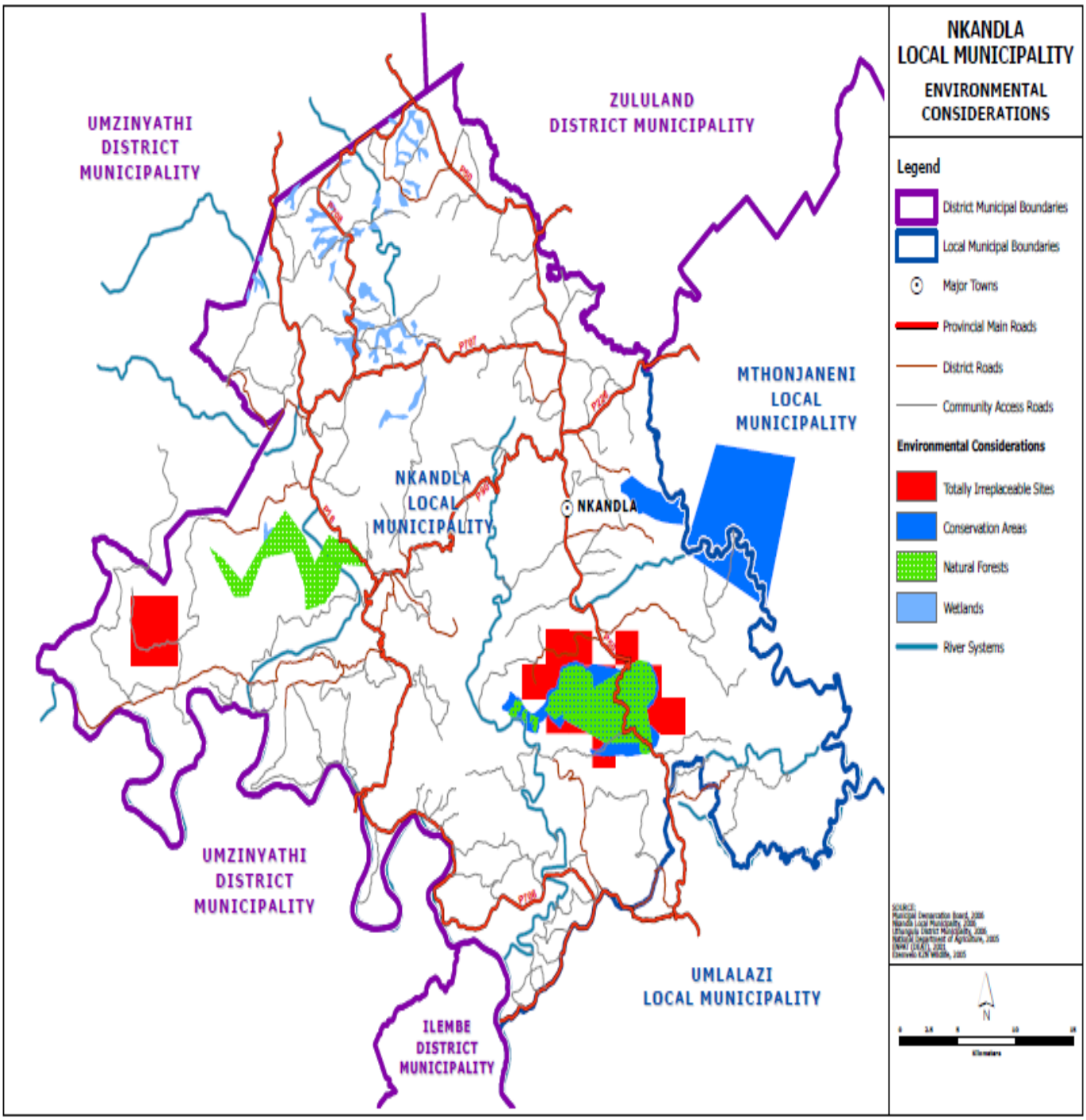
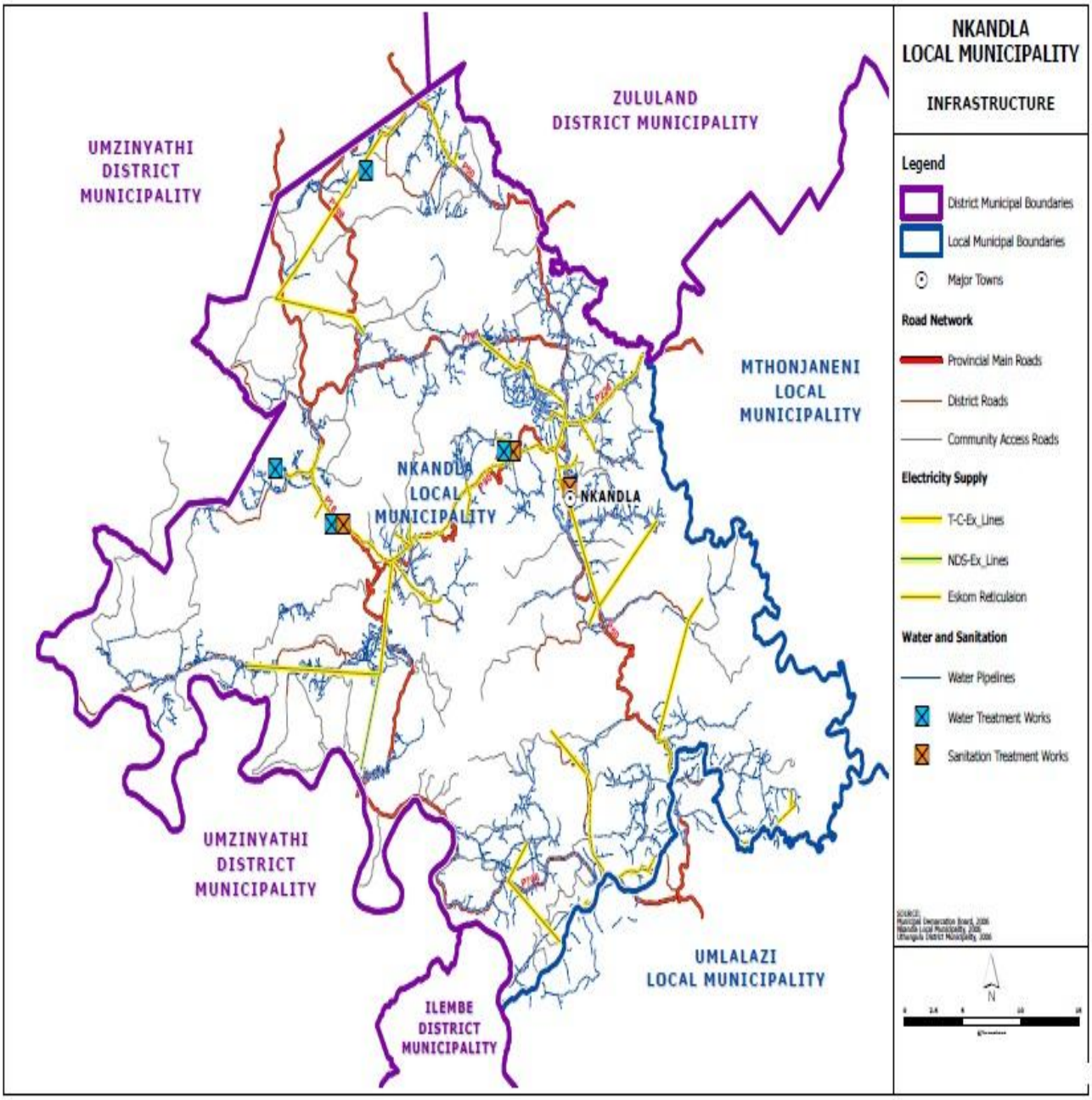
The map below depicts the environmental analysis of Nkandla Local Municipality.



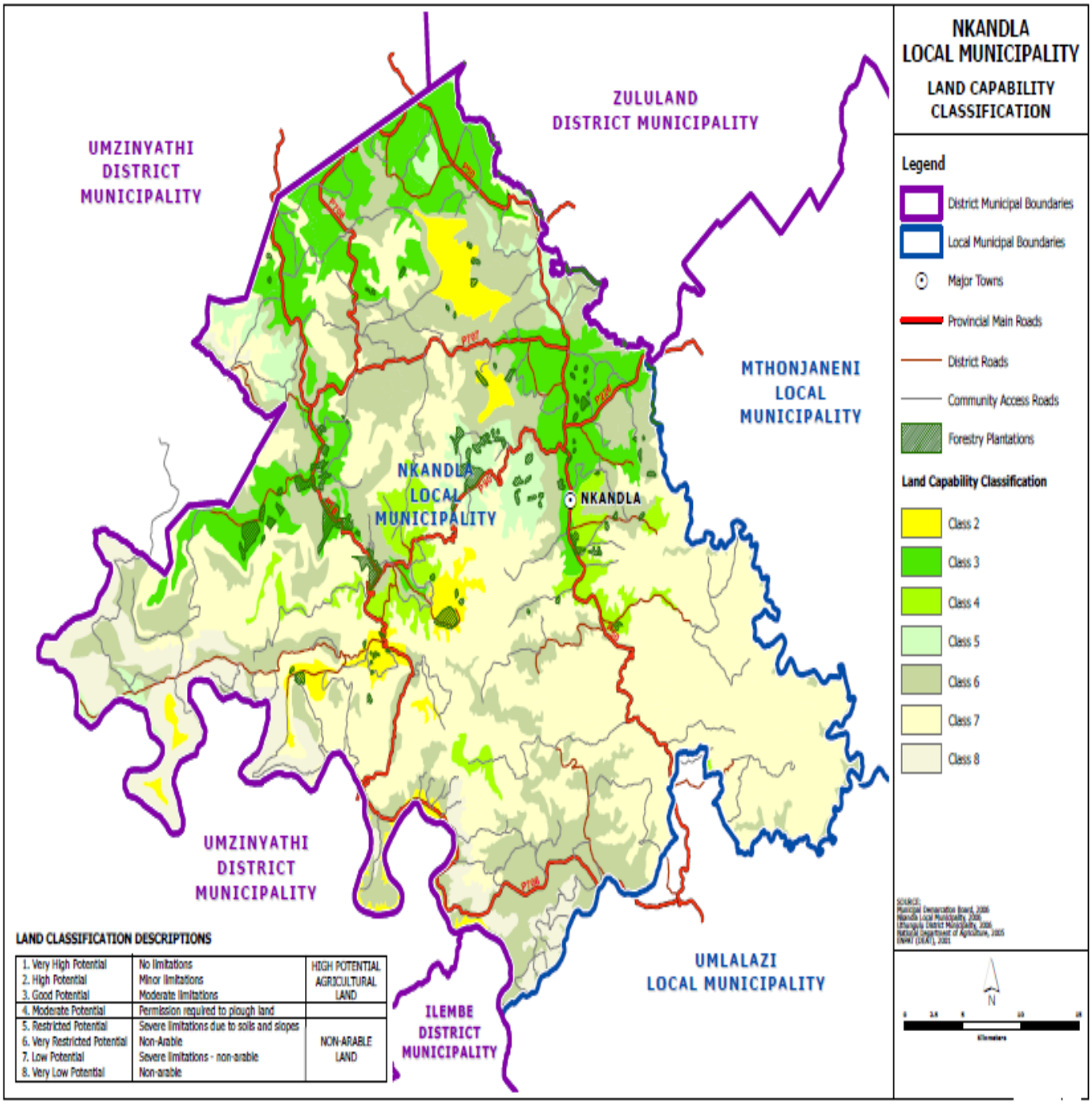
Infrastructure

The map below shows the infrastructure plan within Nkandla Local Municipality.



Agriculture

The Map below shows the Land Capability Classification including Agricultural land.



8.5 SPATIAL PLANNING & LAND USE MANAGEMENT ACT, 2013

The Spatial Planning and Land Use Management Act, hereinafter referred to SPLUMA, was assented to, on 02 August 2013 as per Government Gazette dated 05 August 2013.

SPLUMA in essence provides a framework for:

i. spatial planning and land use management in the Republic;
ii. specifying the relationship between the spatial planning and the land use management system and other kinds of planning;
iii. providing for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government;
iv. providing a framework for the monitoring, coordination and review of the spatial planning and land use management system;
v. providing a framework for policies, principles, norms and standards for spatial development planning and land use management;
vi. addressing past spatial and regulatory imbalances;
vii. promoting greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decisions and development applications;
viii. providing for the establishment, functions and operations of Municipal Planning Tribunals;
ix. Providing for the facilitation and enforcement of land use and development measures; and to provide for matters connected therewith.

Key implications of SPLUMA on municipalities is that:

1. Municipalities will be required to formulate and adopt a municipal wide Scheme informed by the scheme guidelines stemming from SDF and IDP, by August 2019.

2. Municipalites must also adhere to SPLUMA in respect of SDF prepration. Specifcally a municipal spatial development framework must:
   a. give effect to the development principles and applicable norms and standards set out in Chapter 2;
   b. include a written and spatial representation of a five year spatial development plan for the spatial form of the municipality

c. include a longer term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern for the next 10 to 20 years;
d. identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritised and facilitated;
e. include population growth estimates for the next five years;
f. include estimates of the demand for housing units across different socio-economic categories and the planned location and density of future housing developments;
g. include estimates of economic activity and employment trends and locations in the municipal area for the next five years;
h. identify, quantify and provide location requirements of engineering infrastructure and services provision for existing and future development needs for the next five years;
i. identify the designated areas where a national or provincial inclusionary housing policy may be applicable;
j. include a strategic assessment of the environmental pressures and opportunities within the municipal area, including the spatial location of environmental sensitivities, high potential agricultural land and coastal access strips, where applicable;
k. identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable;
l. identify the designation of areas in which:
    i. more detailed local plans must be developed; and
    ii. shortened land use development procedures may be applicable and land use schemes may be so amended;

m. provide the spatial expression of the coordination, alignment and integration of sectoral policies of all municipal departments;
n. determine a capital expenditure framework for the municipality's development programmes, depicted spatially;
o. determine the purpose, desired impact and structure of the land use management scheme to apply in that municipal area; and
p. include an implementation plan comprising of—
    i. sectoral requirements, including budgets and resources for implementation;
    ii. necessary amendments to a land use scheme;
    iii. specification of institutional arrangements necessary for implementation;
    iv. specification of implementation targets, including dates and monitoring indicators; and
    v. Specification, where necessary, of any arrangements for partnerships in the implementation process.

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- **Legislation & Policy Context**

The municipal IDP and SDF is informed by National and Provincial legislative and policy requirements. These include:

Legislation/Policy
Millennium Development Goals
National Program of Action & Outcome 9
National Development Plan :Vision for 2030
The Municipal Structures Act 117 of 1998
The Municipal Systems Act 32 of 2000
National Response to Climate Change White Paper (2012)
SPLUMA
SONA 2015
PGDS
SOPA 2015

8.6 Scheme guidelines

8.6.1 Adopted Scheme

To ensure orderly well coordinated development Nkandla Municipality has adopted a wall to wall scheme in terms of the PDA in January 2014. The wall to wall scheme is structured in the following manner:

Type of Scheme	Locality
Urban Complex Scheme	Nkandla Town
Elementary Scheme	Qhudeni Tourism Node
Rural Scheme	ITB Land

- **Potential for Scheme Review**

Issues around the need for densification, delineation of urban/development edges could result in a review of the wall-to-wall scheme. However these issues require further information which could necessitate the need for further planning investigations such as:

- Local Area Plan/Precinct Plan over the Nkandla Town to investigate potential densification and approximate urban edge, based on land capability, planned infrastructure etc

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- Local Area Plan/ Precinct Plan over the Qhudeni Tourism Node to better frame and facilitate the specific development issues such as urban design, infrastructure supply, environmental planning etc.

8.7 DISASTER MANAGEMENT PLAN

8.7.1 Municipal Institution capacity

Nkandla municipality has a Disaster Management Unit established in terms of Disaster Management Act No. 57 of 2002. There are various institutional measures that have been established to ensure compliance with disaster management legislation and policies.

Institutional Measures	Remarks
Disaster Management Centre	Not fully functional-only fire prevention and awareness is covered
Physical Resources	2 x vehicles
Human Resources	8 x fire fighters
Disaster Management Policy	Not reviewed
Disaster management plan	Available- To be reviewed by 30 June 2015

8.7.2 Assessment

Disaster Risk Assessment was conducted when the disaster management plan was compiled. This was to assist in determining hazards and areas at risk. Various methods were used to determine disaster risk in the Nkandla municipal area. As this changes with times, disaster risk assessment is done continually. The most prevalent weather related hazards are thunderstorms accompanied by heavy rainfall, strong wind, lightning, fire related incidents. The topography of Nkandla causes Nkandla municipal area to be commonly affected by fire, heavy rains and thunderstorm. The municipality does not have capacity to respond to such incidents of disaster attempts. The relationship with the District disaster has made it possible for us to attend to other disaster related incidents.

8.7.3 Risk Reduction and Prevention

The priority and re occurring risks to be addressed as a matter of urgency are:

- frequent grass and bush fires leading to loss of crops and animals
- Structural fires that occurs regularly leading to loss of lives and property
- Frequent lightning that leads to bush and structural fires
- Inadequate fire water reticulation

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- The road network throughout the municipality is predominately grave and/or sand roads and there are a number of dwellings/areas which have no road access for vehicle. These areas need to be accessed by foot.
- Another cause of concern is that the bridges in Nkandla are of the low level; which make it easy for the water to overflow. People are being washed away/ drowned when they attempt to cross these bridges.

Disaster Risk Reduction (DRR) programmes has been developed to deal with wide identified disaster risks. These are some of the DRR strategies, i.e integrated development and service delivery, awareness campaigns, capacity building, land use management and other methods.

8.7.4 Response and Recovery

Whenever there are reported incidents, Nkandla municipality visits the affected areas and compiles the report to the uThungulu District Municipality (Disaster management Centre). The District municipality further submits the report to the Province (Provincial Disaster Centre). Other relevant stakeholders also assist in response to disaster related incidents by providing necessary and emergency relief to the affected individuals/families.

8.7.5 Training and Awareness

Nkandla municipality is aspiring to have a fully functional disaster management unit that meets all the requirements since the only area that is partially covered is the incidents that are caused by fire. Volunteers from 11 Amakhosi areas were trained on fire prevention and awareness in conjunction with the District municipality. Awareness campaigns are planned annually prior to the dry season and response mechanisms to fire related incidents

Disaster Management Projections

Description	Priority	Key Performance Area	2014/15 R	2015/16 R	2015/17 R
Warnings of Fire Community and Fire Services	High	KPA 3 Disaster risk reduction	370 000	405 0000	470 000
FIRE Vehicles, Equipment, be close to danger zone	High	KPA 3 Disaster risk reduction	650 000	680 000	750 000

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FDI & Early Warning Systems	High	KPA 3 Disaster risk reduction	480 000	520 000	560 000
Firebreak Programmes & Building capacity in high risks areas	High	KPA 3 Disaster risk reduction	300 000	360 000	420 000
Fire Safety inspections at Homes and Commercial premises	High	KPA 3 Disaster risk reduction	250 000	280 000	320 000
Public awareness (DROUGHTS)	High	KPA 3 Information & communication management	85 000	95 000	110 000
Livestock are immunized to reduce vulnerability to reduce during drought season	High	KPA 3 Disaster risk reduction	150 000	180 000	220 000
FOOD SECURITY PLAN	High	KPA 3 Disaster risk reduction	300 000	360 000	420 000
Early warning System	High	KPA 3 Disaster risk reduction	200 000	240 000	280 000

NB: Financial Projections made above is a rough estimate this cannot be funded by Nkandla municipality own its own, any relevant stakeholder may come on board to combat disaster risk in Nkandla by offering any type of assistance in relation to the above heading

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8.7.6 DISASTER MANAGEMENT SWOT ANALYSIS

Strengths	Weaknesses
- Development of the disaster management plan - Nkandla municipality as part of the District Disaster Advisory Forum (DMAF), this forum facilitates many information sharing and planning sessions between disaster management and event management role players. All major role players are represented in this forum to attend regular meetings and discuss all issues pertaining to disaster. Inputs are provided by each stakeholder from all line function departments	- Reviewal of the disaster management plan since this is a strategic plan which should be developed and continually updated in consultation with all role players - Nkandla municipality has recently taken the Fire and Response Unit from the District Shared Service, and this unit is not fully functioning - The Local Disaster Forum does not sit regularly to plan and - After the reviewal of the plan, the disaster management framework should be developed. This will outline the vision, mission and objectives of Nkandla local municipality (as a local sphere)

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9. DEMOGRAPHIC CHARACTERISTICS

The Statistics SA Census data for 2001 and 2011 has been used for the demographic and the economic information in this section.

9.1 District Population Growth

Change in Population Numbers

	UDM	MFOLOZI	UMHLATHUZE	NTAMBANANA	UMLALAZI	MTHONJANENI	NKANDLA
2001	881909	105817	292540	83658	218564	49810	131521
2011	907519	122889	334459	74336	213601	47818	114416
Population Growth Rate 2001-2011 %	0.3	1.5	1.4	-1.2	-0.2	-0.4	-1.4

Source: Census 2011

The negative population growth rate for the period 2001 to 2011 in four of the six local municipalities is concerning and the reason need to be further investigated. It is believed that HIV and urbanisation may play a critical role in the declining numbers of the rural population due to migration to areas with perceived better economic opportunities.

9.2 Key Findings

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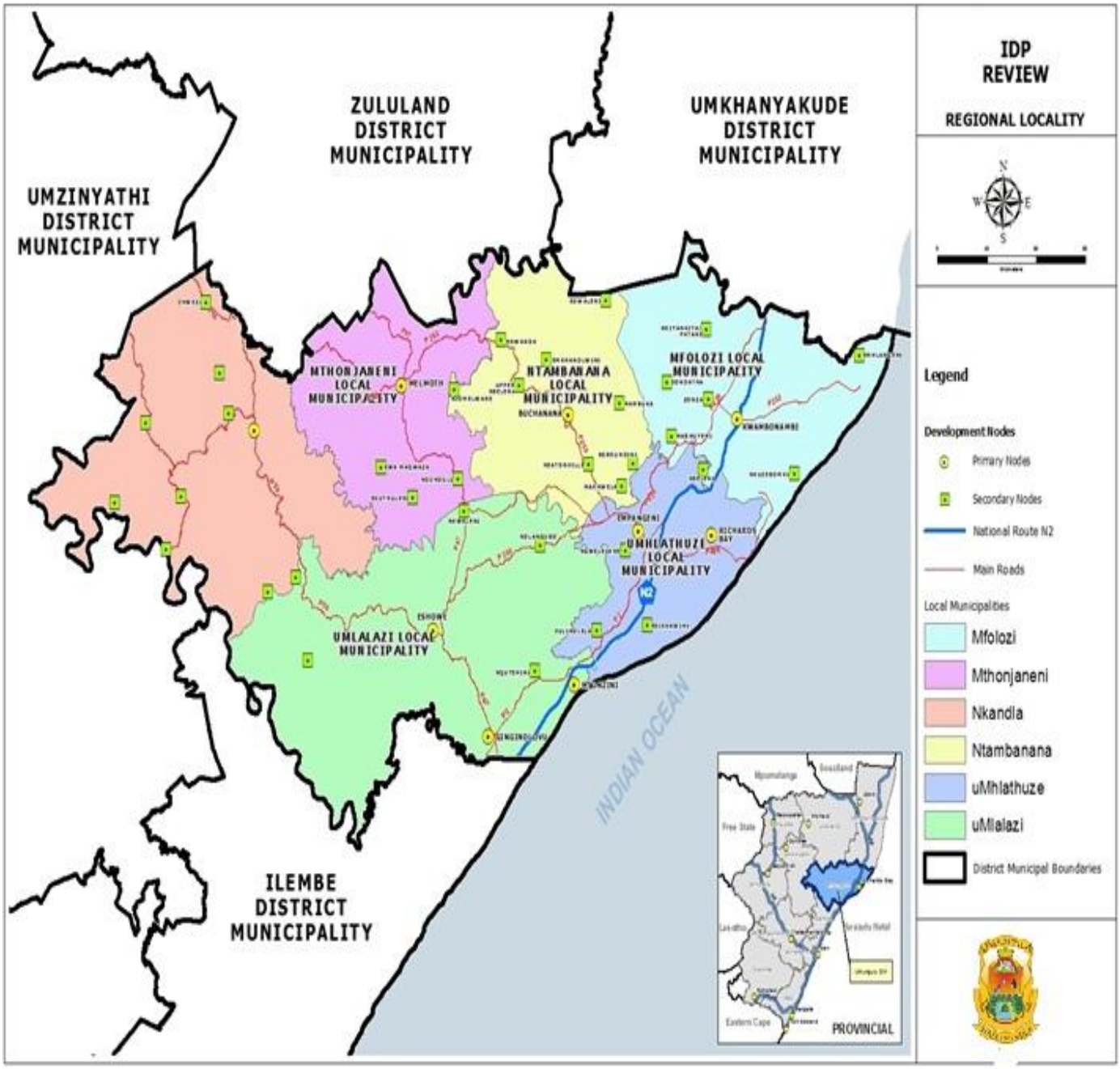
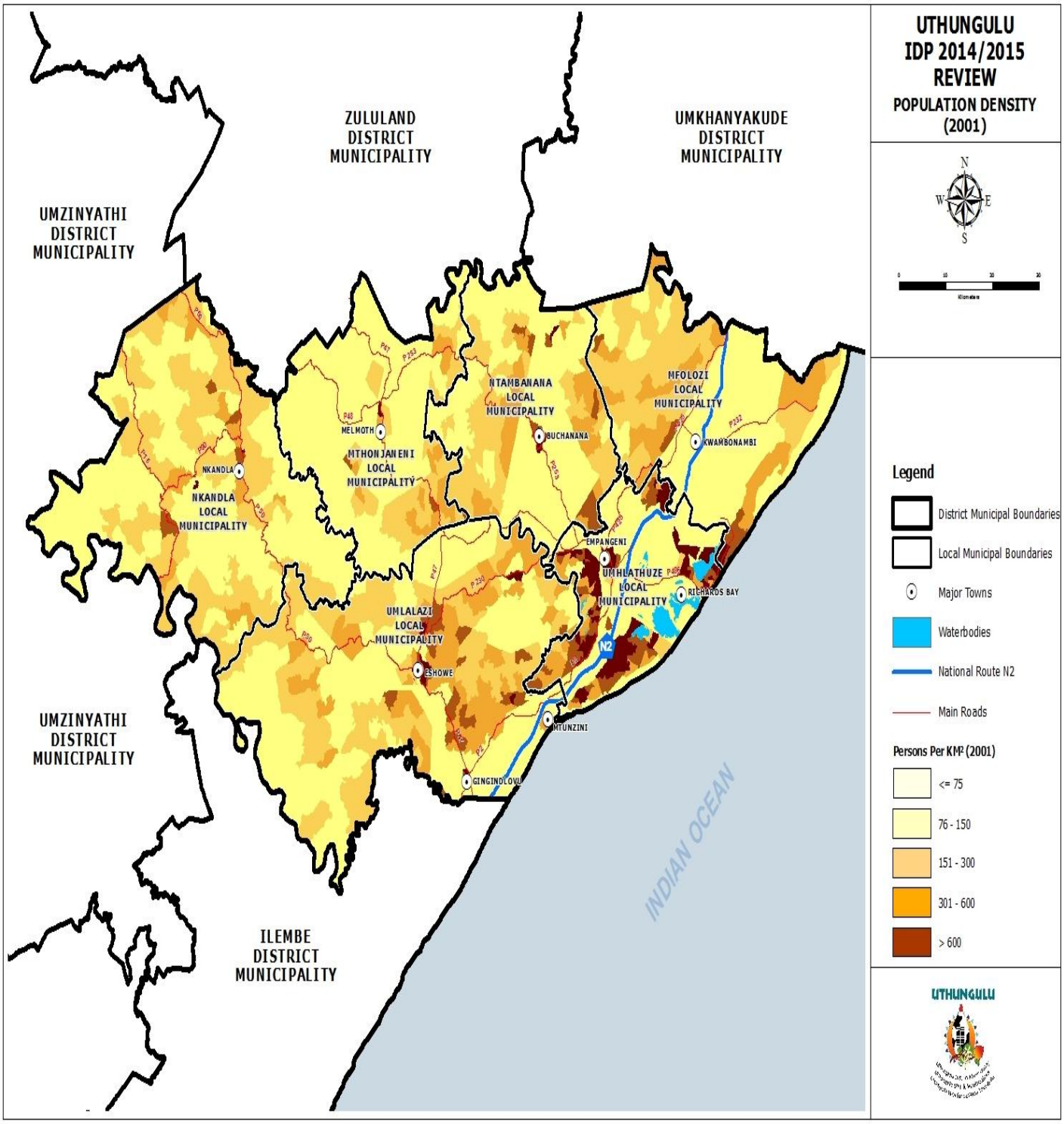
Map: District Map

The map below shows the all local municipalities under uThungulu District and the neighboring Districts.



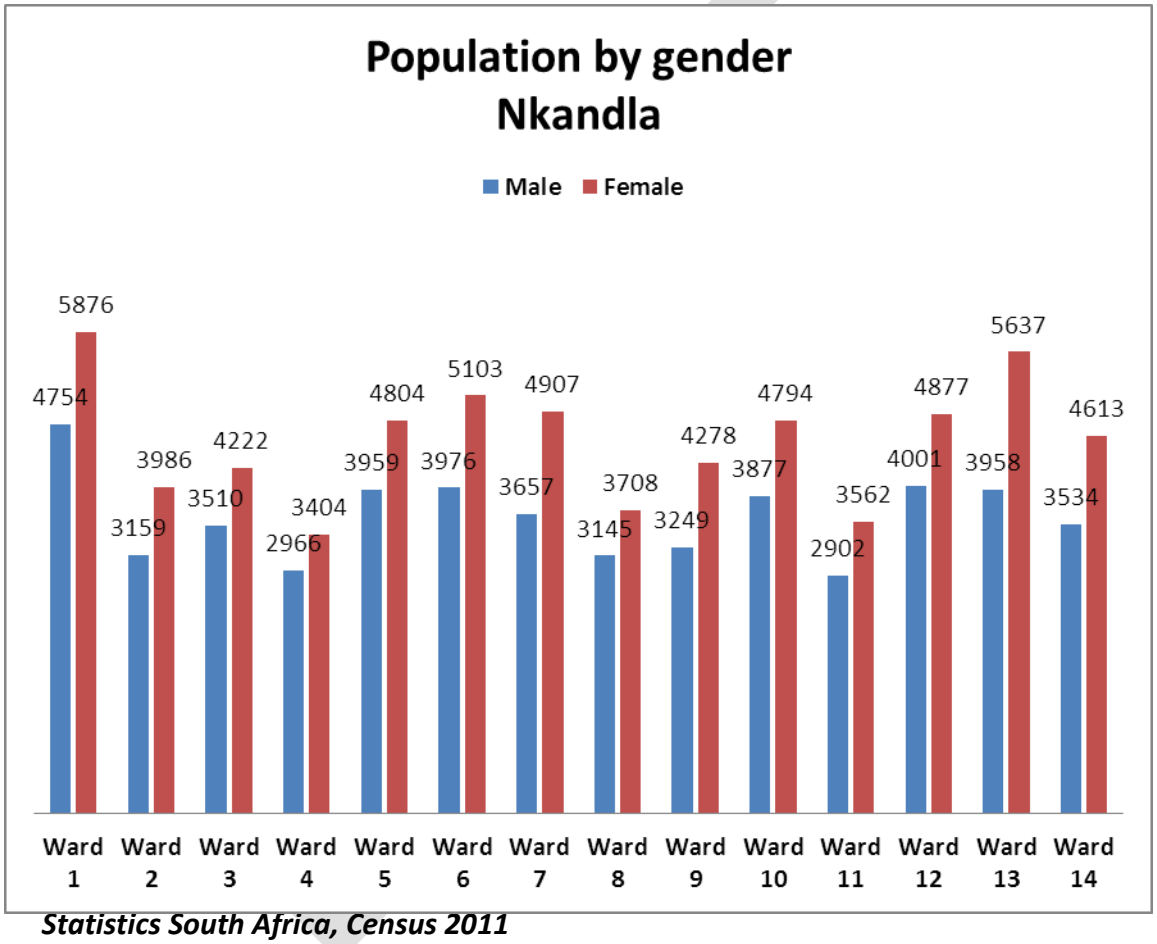
Map: District Population Density



- **Nkandla population per ward**

The total population of Nkandla Municipality is 114 416. Of this number, 14% are children between 0 and 4 years, while 6% constitute the elderly above the age of 65. Total number of black Africans in Nkandla is 113 923, followed by whites at 167, colored who make up 114; and Indians/Asians at 103.

Bar graph : Population Map by gender

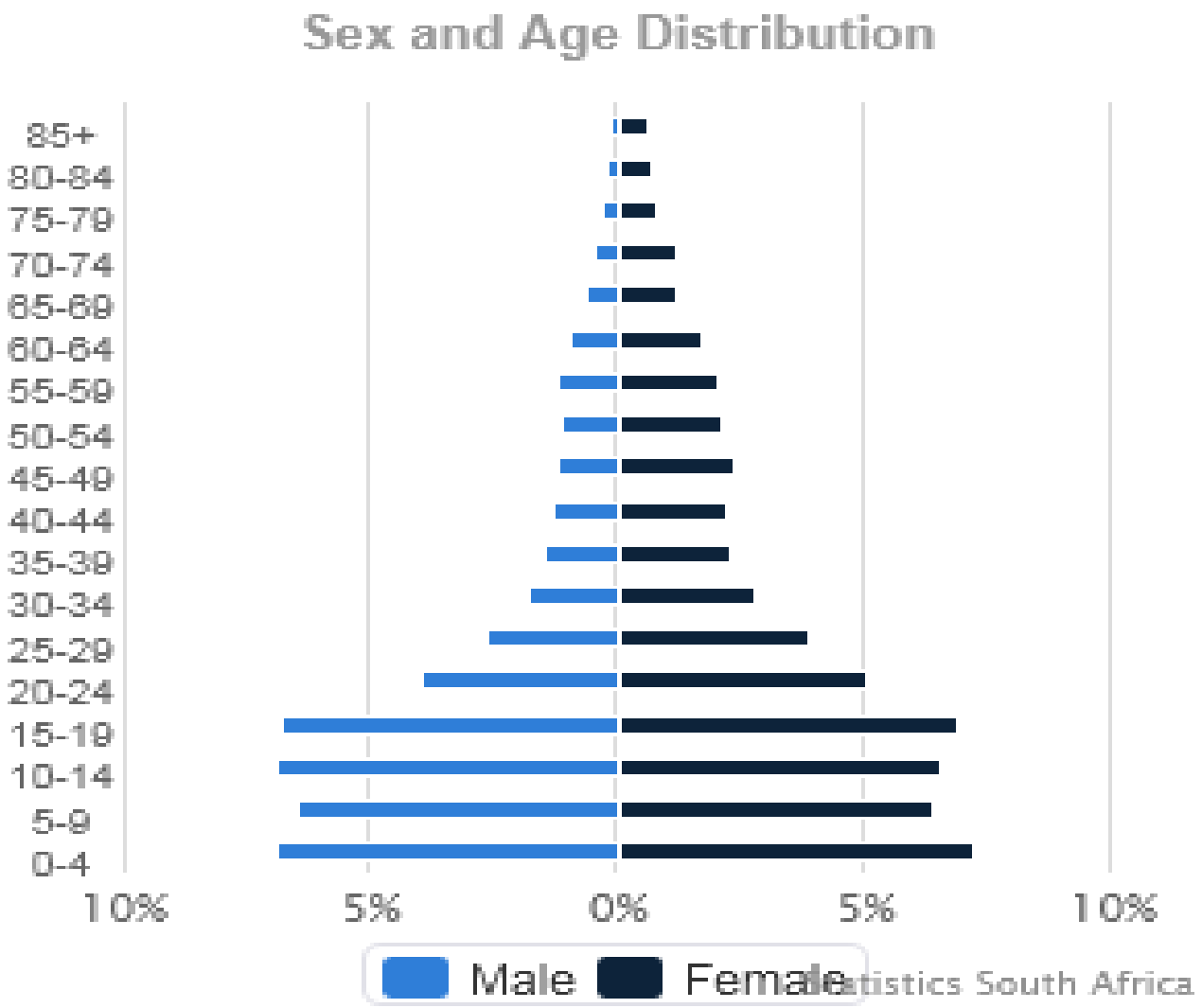


Statistics South Africa, Census 2011

The graph shows that the dominant gender across the wards is females. Ward 1 has the highest population of female across the wards with (5876), ward 14 is second higher with (5637) and ward 6 is the third highest with (5103).

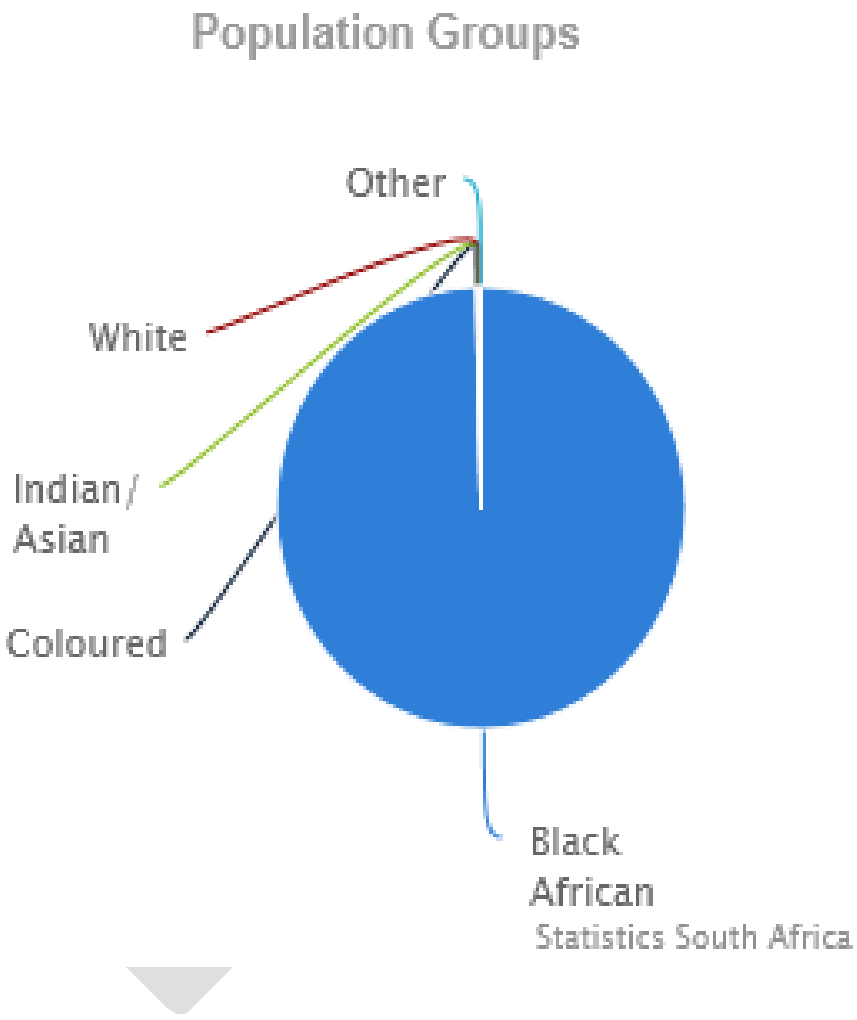
Bar chart: Population by Sex & Age

This graph below shows the population rate of Nkandla Local Municipality by sex & age.

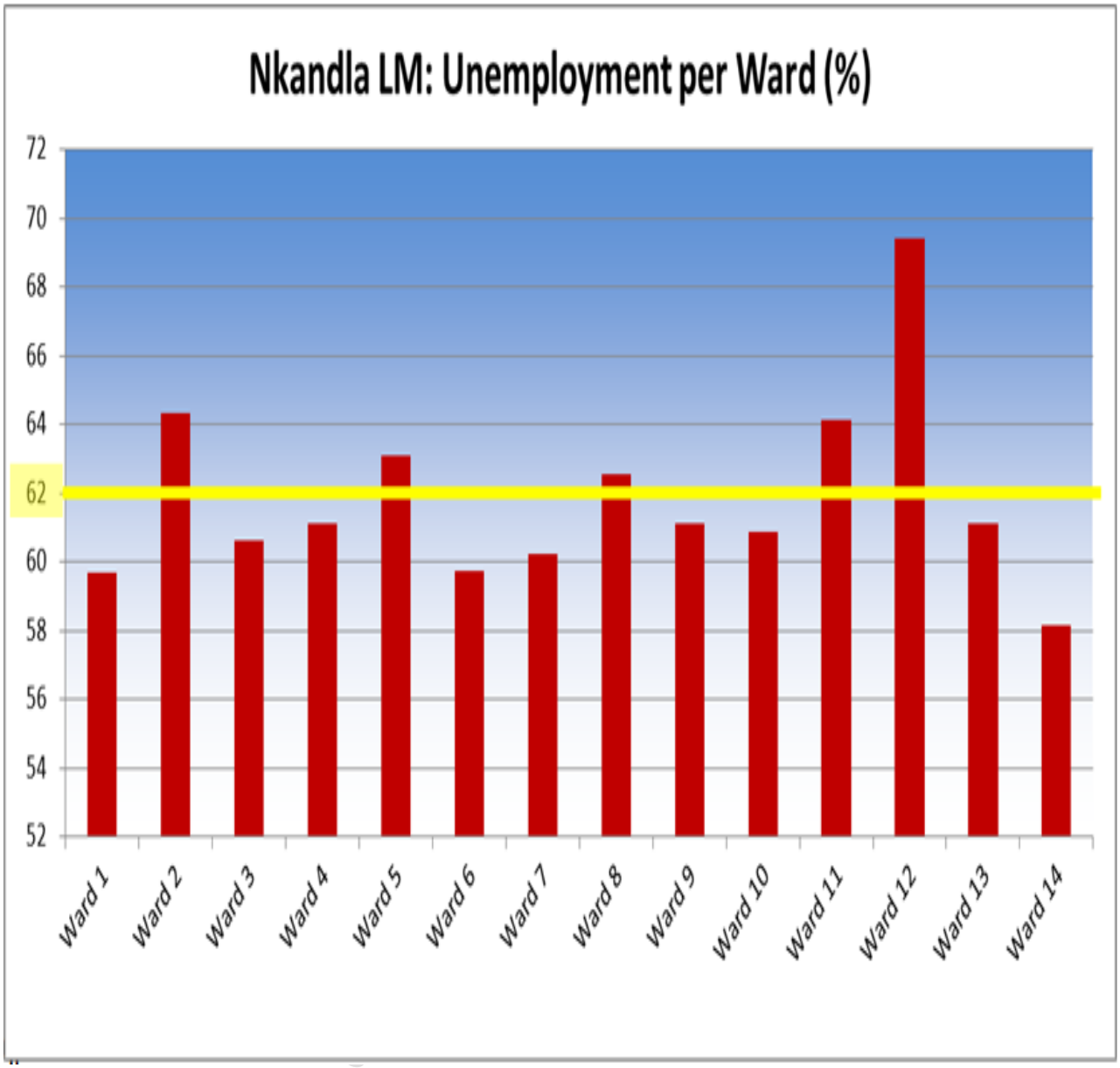


Pie Chart: Population by Racial groups

The graph displays the population group of Nkandla Municipality



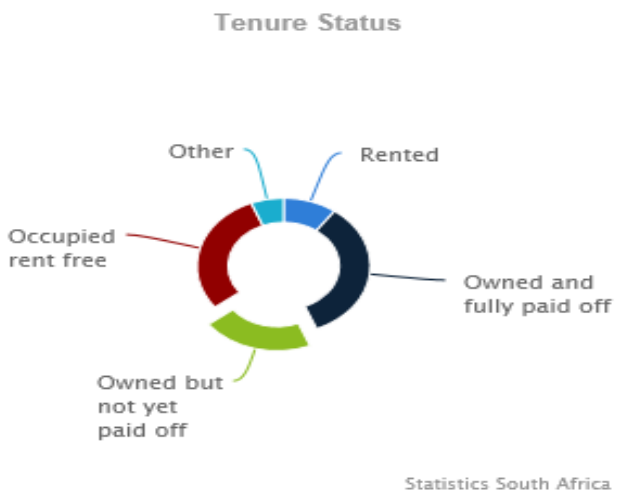
Bar Chart: Unemployment rate by ward



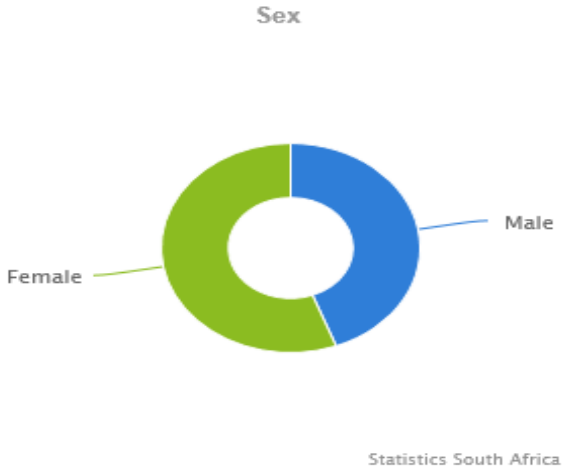
- **Household Size**

93% of the population in the municipality resides in traditional/tribal areas, and 7% live in urban settlements. The average household size in the municipality is 5, 1.As many as 54.6% of the households own their houses. 32% of the population stays in formal dwellings and 67% in traditional dwellings. 55% of Nkandla households are female headed, and 1% is child headed. 2 470 people in the municipality have no source of income.

Bar chart: Distribution of households by tenure status

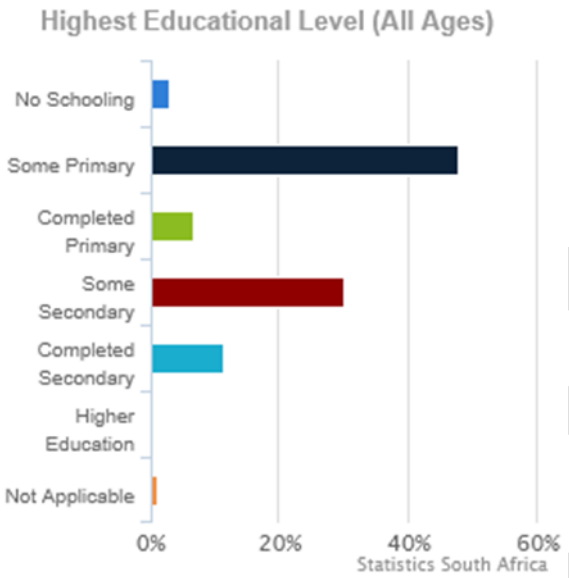


Population by gender



Education

Primary education enrolment for the population aged 6 to 13 is 86,7%. 21,2% of the population have matric, and 4,8% are people with a higher educational qualification.



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10. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

10.0 INTRODUCTION

The following chapter zooms into the Municipal Transformation and Institutional Development Key Performance Area (KPA) of the Municipality.

10.1 Municipal Structure

Nkandla Local Municipality is constituted of 14 wards and the political administration of the municipality consists of 27 seats. These are made up of three political parties namely; The African National Congress, the Inkatha Freedom Party and the National Freedom Party.

The following table illustrates the names of Councillors that are responsible for the respective wards in the municipality and also indicate their political affiliation.

NAME & SURNAME	WARD	Political affiliation
Cllr. L. Ntombela	01	IFP
Cllr. S.B. Manyathi	02	IFP
Cllr. S.O. Sibiya	02	IFP
Cllr.B.B Dlomo	03	IFP
Cllr. M.B.E Ntombela	03	ANC
Cllr. T.F Nxumalo	04	IFP
Cllr. P.R Dlamini	05	ANC
Cllr. H.R Ntombela	05	IFP
Cllr. AT. Ntuli	06	IFP
Cllr. T.O Ndlela	05	NFP
Cllr. N.F.J Nzuza	06	IFP
Cllr. J.B Ntuli	06	ANC
Cllr. F.K Magubane	06	ANC
Cllr. B.W Sibiya	07	ANC
Cllr. S.A Majola	08	IFP
Cllr. T.T Dlamini	09	IFP
Cllr. B.B Ndima	09	ANC
Cllr. S.E Mhlongo	10	IFP
Cllr. B.N Buthelezi	10	IFP
Cllr. N.P.N Magubane	10	NFP
Cllr. B.Z Mncadi-Mpanza	11	ANC

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Cllr. B.V Khanyile	11	IFP
Cllr. S. Buthelezi	11	NFP
Cllr. N.R Xulu	11	ANC
Cllr. C.M Mthalane	12	IFP
Cllr. V.S Lushozi	13	ANC
Cllr. S.M Bhengu	14	ANC

- **Council Summary**

POLITICAL PARTY	NUMBERS
1. ANC	10
2. NFP	03
3.IFP	14

10.1.1 FUNCTIONALITY OF THE MUNICIPAL COUNCIL

To ensure compliance with the legislative requirement that the Council meet at least quarterly, it has resolved to meet once every two months. However, in order to meet compliance requirement relation to such issues as Budget approvals, mid-term Budget Reviews, Adjustments Budgets, IDP Reviews, Annual Report and Annual Report Oversight reviews, the Council effectively meets almost once every month. In order to optimise efficiency of operation the Council has reserved to itself decision making powers on certain critical and strategic matters – such as considering the results of the provincial government´s monitoring of the Municipality, deciding whether to provide security for any the Municipality´s debt obligations and deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for the expenditure. It has otherwise delegated to its Executive Committee power to exercise all powers of the Council in respect of matters not specifically excluded from delegated in term of section 160 (2) of the Constitution and Section 59 of the system Act.

In order to facilitate maximum participation by Councillors in the decision making process of the Council and its Committee, all Councillors are provided with copies of the agenda and minutes of all meetings of the Council, it´s Execution Committee, it´s Portfolio Committees and its Sub-Committees and Task Teams.

10.1.2 The Municipal Executive Committee

The Nkandla Municipality has established an Executive Committee consisting of five Councillors. When establishing the Executive Committee the Council was mindful of the provisions of Section 4ss43of the Municipal Structures Act 117 of 1998 which requires that:

(1) If the council of a municipality establishes an executive committee, it must elect a number of councillors necessary for effective and efficient government, provided that no more than 20 per cent of the councillors or 10 councillors, whichever is the least, are elected. An executive committee may not have less than three members.

(2) An executive committee must be composed in such a way that parties and interests represented in the municipal council are represented in the executive committee in substantially the same proportion they are represented in the council.

(3) A municipal council may determine any alternative mechanism for the election of an executive committee, provided it complies with section 160 (8) of the Constitution.

In keeping with the requirements of that Section of the Municipal Structures Act 117 of 1998, the Executive Committee was constituted on the basis of proportional representation, giving the following membership:

- IFP : 3 Councillors
- ANC: 2 Councillors
- NFP: 1 Councillor

The Executive Committee holds ordinary meetings twice per month with additional special meetings being convened as and when necessary. The Term of reference of the Executive Committee requires that, amongst other things, it:

- Perform the functions of an Executive Committee set out in the local Government: Municipal Structures Act, 1998;
- Take such action as may be necessary to insure compliance by the Council with all legislation relating to or affecting local government
- Exercise all Powers of the Council which may be delegated by the Council in terms of Constitution or any other law and which has not been delegated or assigned in term of any law;
- Consider and determine any particular matter or issue or any matter of policy referred to the Committee by the Municipal Manager;
- Take any necessary or incidental decisions for the management or administration of any resolution of the Council.

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The following table indicates the members of the Executive committee and their political affiliation.

NAME,SURNAME & POSITION	POLITICAL AFFILIATION
AT Ntuli – Mayor	IFP
Cllr. TO Ndlela- Deputy Mayor	NFP
Cllr. BW Sibiya- EXCO Member	ANC
Cllr. SO Sibiya- EXCO Member	IFP
CLLR BZ Mncadi- Mpanza- EXCO Member	ANC

10.1.3 Council Portfolios

The Nkandla Local Municipality has established four functional Municipal Portfolio Committee to assist the Executive Committee & these portfolios are:

- Finance Portfolio Committee
- Technical Portfolio Committee
- Community Services Portfolio Committee
- Corporate Services Portfolio Committee

Each of the Committee has defined terms of reference covering the whole range of the functions of the Municipality.

The Portfolio Committee meet once per month and the recommendations of the Portfolio Committees are submitted to the meeting of the Executive Committee following the meeting of the Portfolio Committee. Portfolio Committee do not have any delegated powers.

These committees are aligned to the functions of various departments of the Municipality;

- Budget & Treasury Portfolio Committee : Chief Financial Officer
- Corporate Services Portfolio Committee : Director Corporate Services
- Technical Portfolio Committee : Director Technical Services
- Community Services Portfolio Committee : Director Community Services

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10.1.4 Special Purpose Committees and Sub-Committees

The Council has also established a number of forums & committees that are operational in the municipality and these committees and forums are:

- Integrated Development Plan Representative Forum
- Audit Committee
- Local Labour Forum
- Municipal Public Accounts Committee (MPAC)

10.2 Powers and Functions of Nkandla Local Municipality

Municipal Powers and Functions (Chapter 7, Section 156 Of Constitution)	Executed by Nkandla LM	
	YES	NO
1. Integrated Development Plan	✓	
2. Section 71 Reports & AFS	✓	
3. Water Service Authority		✓
4. Regulation of passenger transport services	✓	
5. Sanitation		✓
6. Bulk Electricity	✓	
7. Solid Waste Disposal	✓	
8. Roads		✓
9. Municipal Roads	✓	✓
10. Health Services		✓
11. Fire Fighting		✓

12. Cemeteries	✓	
13. Tourism	✓	
14. Receive Grants & MIG	✓	
15. Impose, Collect taxes &levies	✓	
16. Disaster Management	✓	
17. Accountability	✓	
18. Community participation	✓	
19. Equitable Access to Municipal Services	✓	
20. Local Economic development	✓	
21. Gender Equity	✓	
22. Performance Management Systems	✓	
23. Sound Financial Management	✓	

10.3 ADMINISTRATIVE STRUCTURES

The Organisational Structure was reviewed and adopted by Council at the beginning of the financial year. A revised selection, recruitment and appointment policy that seeks to address the imbalances in the employment profile of the Municipality has been adopted by Council. There are ninety nine employees in the Municipality and the Council approved five departments in the Municipality. These departments are as follows:

- Office of the Municipal Manager;
- Corporate Services;
- Technical Services;
- Budget and Treasury Office
- Community Services

The functions of these Departments are as follows:

DEPARTMENT	FUNCTIONS
Office of the Municipal Manager	Municipal Management Municipal Planning and Performance Management Municipal Finance Management. Risk Management
Corporate Services	**Administration**: it is responsible for; billboards and display of advertisements in public places; municipal administration; security and cleaning services; human resource management; legal services; information technology communication and council support services.
Budget and Treasury Office.	**Income**: it is responsible for Revenue Management; debt management and internal controls. **Expenditure**: it is responsible for expenditure management; supply chain and procurement; materials; insurance; internal controls and properties management.
Technical Services	**Electricity:** it is responsible for electricity and gas reticulation and street lighting. **Civil services**: it is responsible for air pollution; municipal public works; storm water management; cemeteries; funeral parlours, cleansing; fence and fences; burial of animals; local sports facilities; markets; municipal parks and recreation; planning and land use management, refuse removal; refuse dump site and solid waste management, municipal roads
Community Services	**Community Services**: it is responsible for building regulations, child care facilities, local tourism, and promotion of local economic development and facilitation of housing development; libraries **Protection Services**: it is responsible for firefighting services; noise pollution; public places; street trading; traffic and parking; disaster management; control of public nuisances; municipal public transport; public safety; motor licensing; roadworthy testing; and municipal policing.

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10.4 Municipal Organograms & Critical Posts

The administration of the Municipality is headed by the municipal Manager. According to the MFMA 60(b): The Municipal Manager of Nkandla Local Municipality is the accounting officer of the municipality for the purpose of this Act and provides guidance on compliance to political structures, political office bearers and officials of the municipality.
The Municipality's organizational structure provides four (4) Directorates that are managed by the Municipal Manager. All critical directorates' posts have been filled.

The table below indicates the positions and status of the critical municipal personnel.

POSITION	**STATUS**
MUNICIPAL MANAGER	✓
CHIEF FINANCIAL OFFICER	✓
DIRECTOR COMMUNITY SERVICES	✓
DIRECTOR TECHNICAL SERVICES	✓
DIRECTOR CORPORATE SERVICES	✓

- ✓ *Means post is filled*
- o *Means post is vacant*

The municipality is fortunate to have all critical posts filled however the municipality does not have specialized environmental personnel who will provide an environmental management function to the municipality to ensure that development occurs in a sustainable manner. The municipality currently relies on uThungulu District Municipality to provide environmental support.

The organograms included below shows the municipal structure of the five directorates that the municipality has. It is vital that these directorates are well capacitated to ensure that service delivery takes place and the vision of the municipality to become a high performing rural municipality as enlisted in our vision. The organograms that are listed below include; Office of the Municipal Manager; Budget & Treasury; Community Services; Corporate Services & Technical Services.

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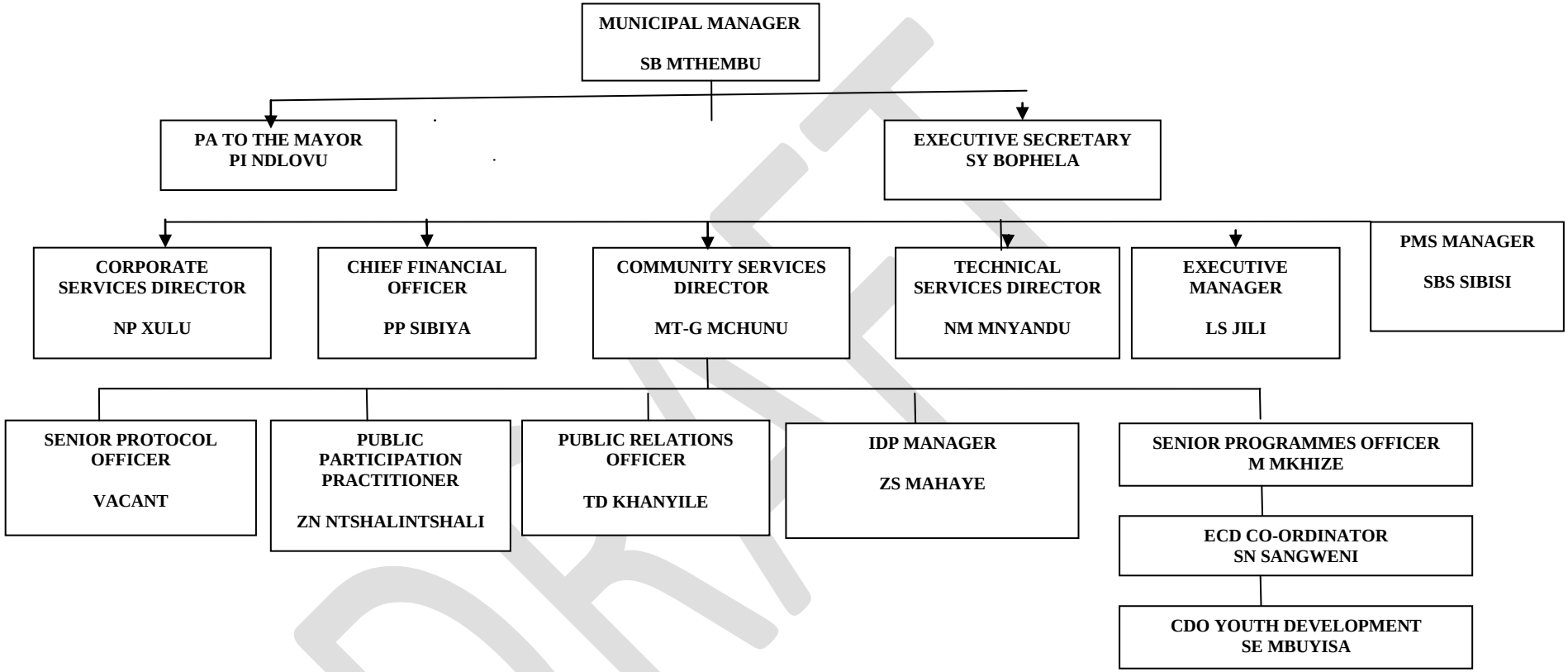
OFFICE OF THE MUNICIPAL MANAGER



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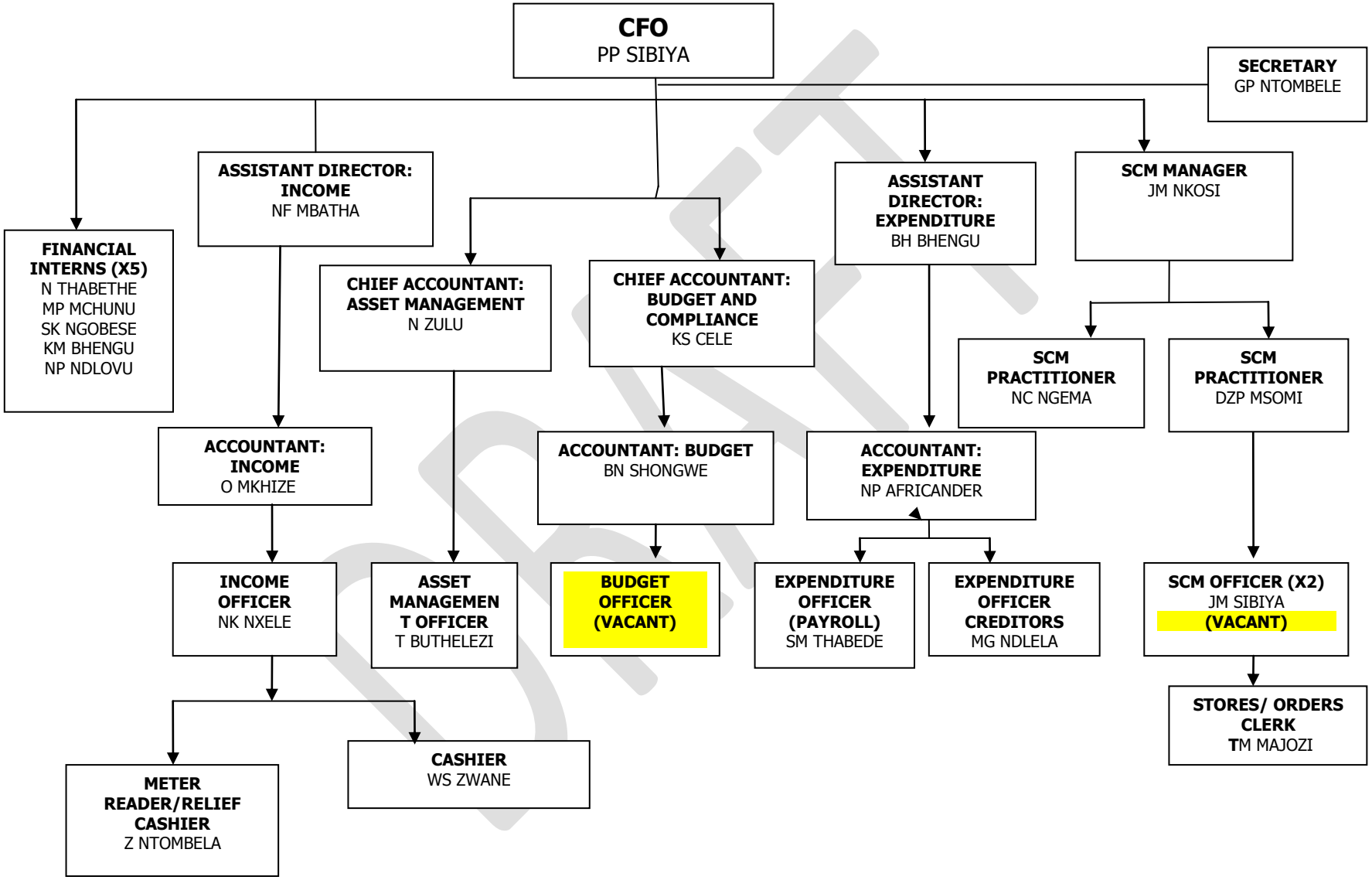
BUDGET & TREASURY



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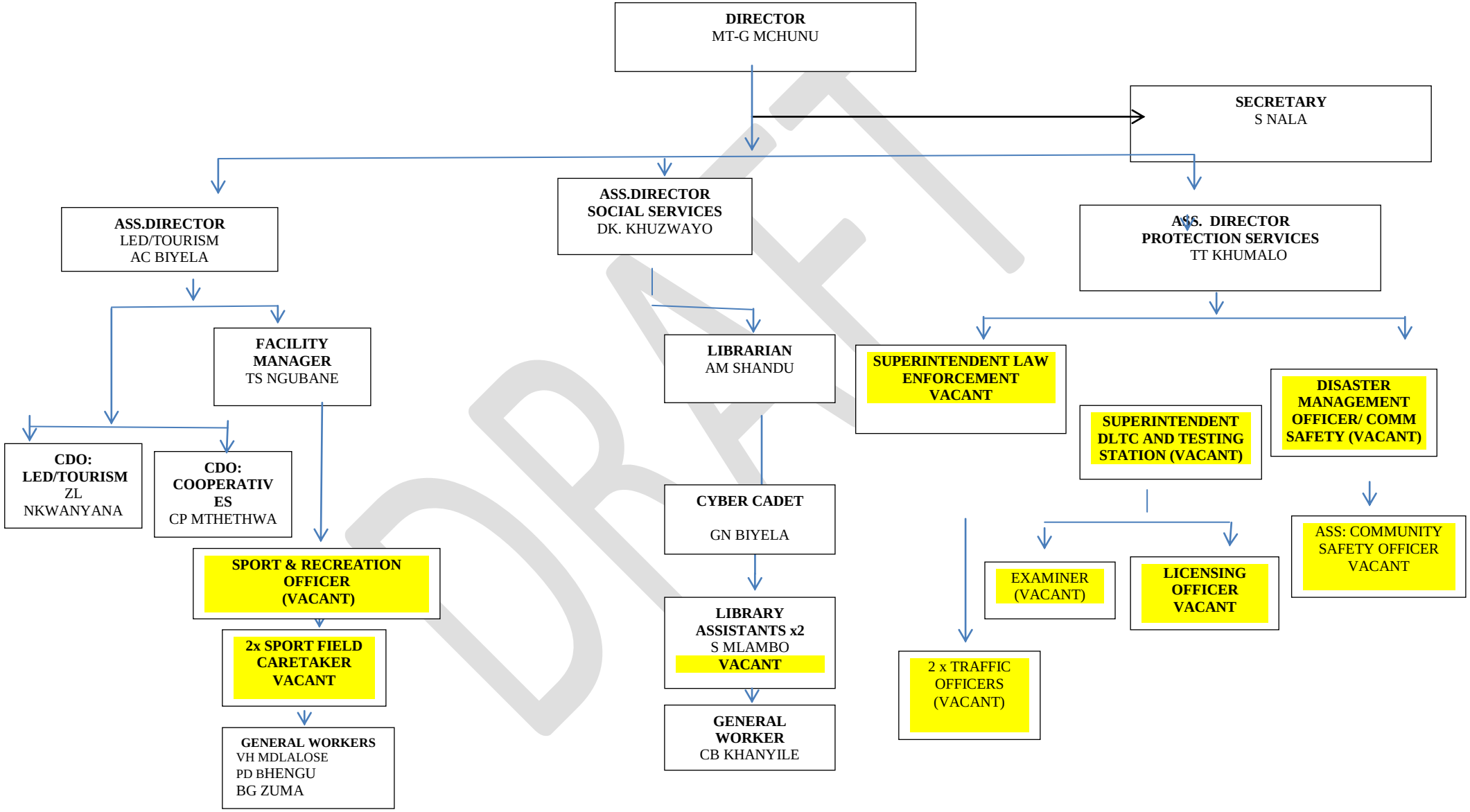
COMMUNITY AND ECONOMIC DEVELOPMENT



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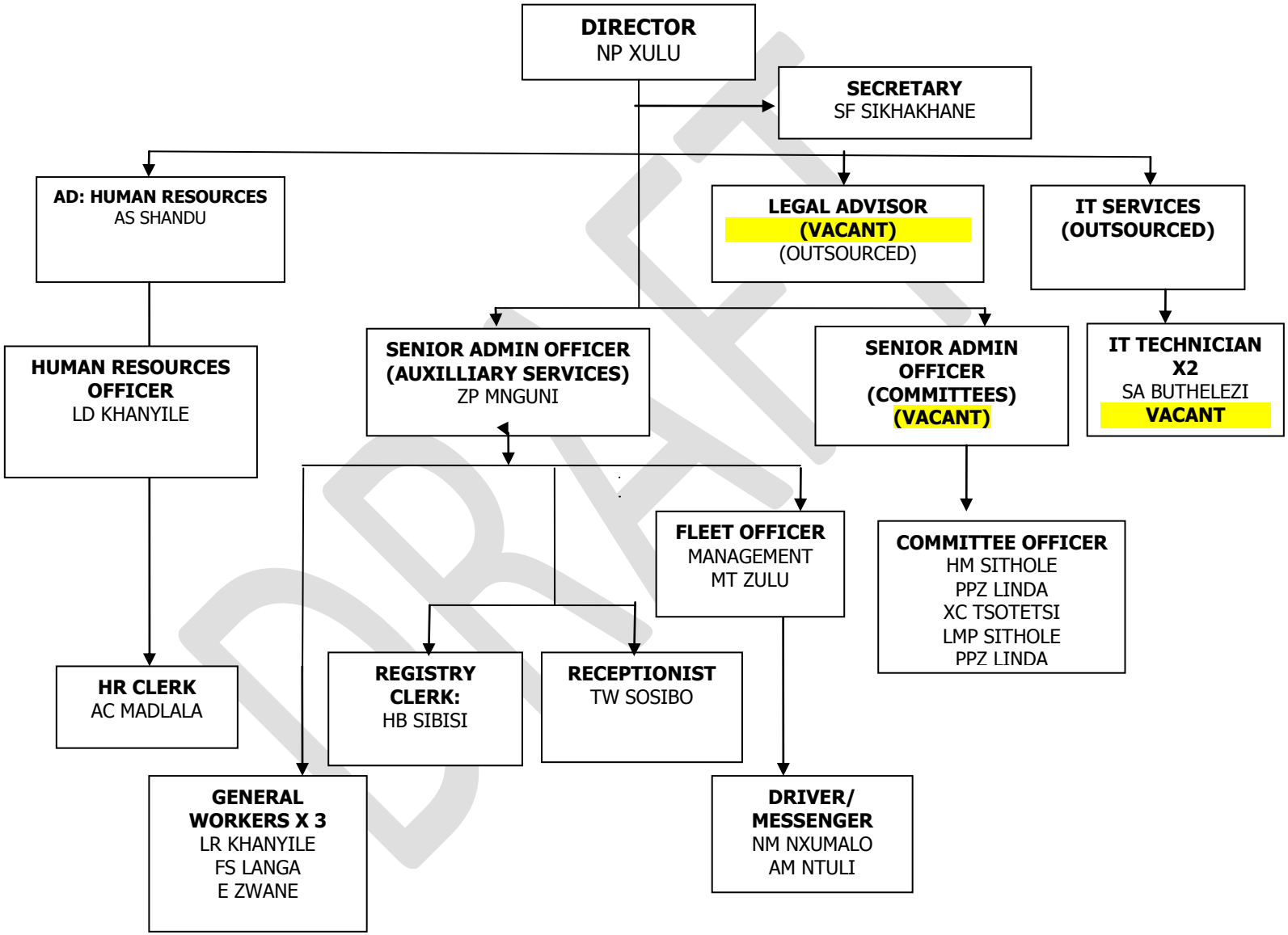
CORPORATE SERVICES



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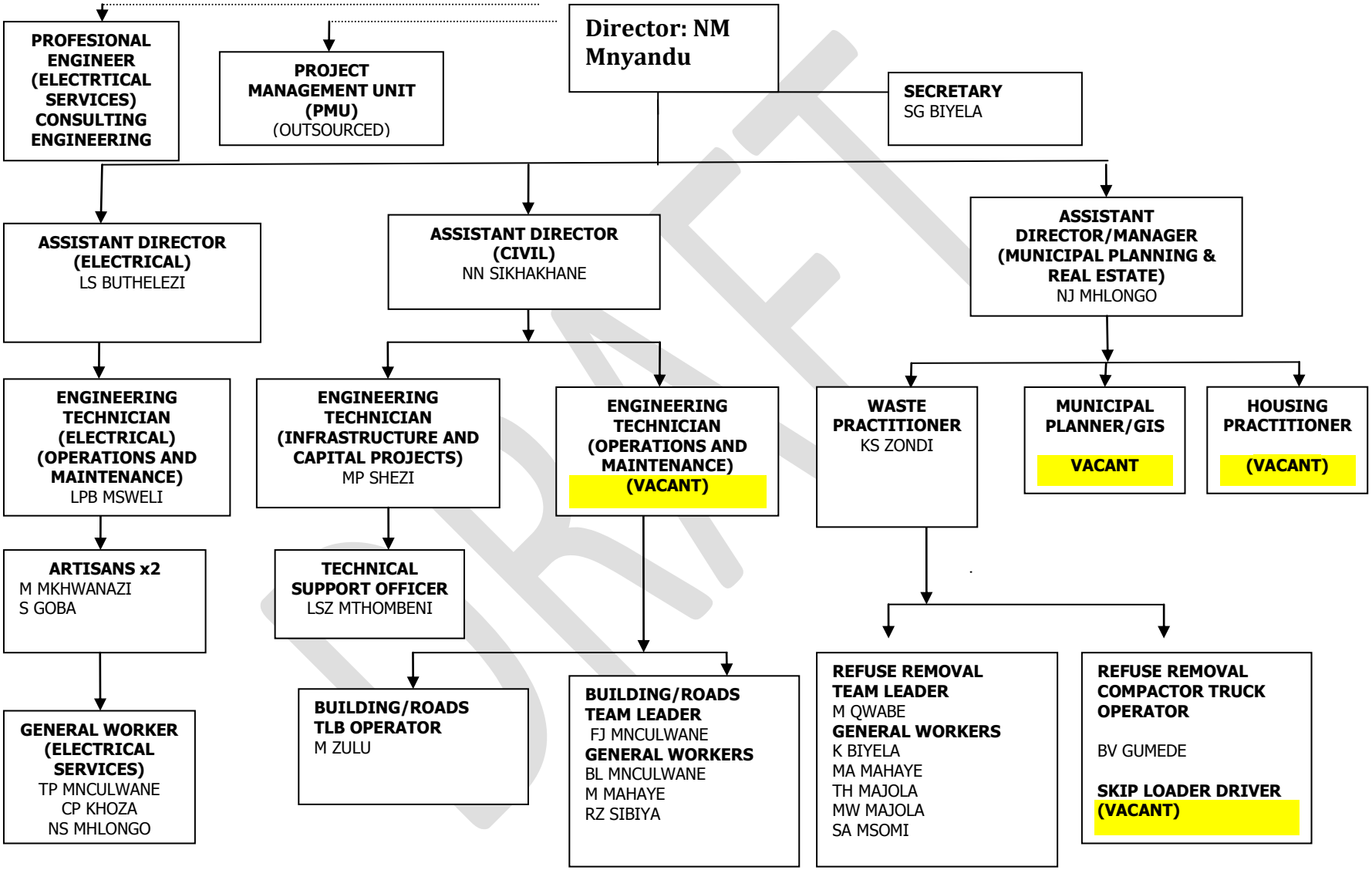
TECHNICAL SERVICES



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10.5 Human Resource Strategy

A human resource strategy is a long-term plan of action based on the human resource priorities. The plan must ensure that employees have the right skills and motivation as a contribution to future of the municipality. The strategy requires a knowledgeable and experienced workforce with excellent leadership.

The municipality has a draft human resource strategy and it will be adopted in this financial year of which the summary will be included in the final 2015/16 IDP. The following table indicates draft objectives and goals that form part of the human resource strategy

Draft Objectives & Goals	Strategies that will be incorporated
Staff Attraction & Retention Strategy	▪ Recruitment & Retention Policy which will address the issues at hand, which are attraction of compatible candidates. ▪ Implementation of the policy that will allow for these activities, draw up an advert, which will attract the suitable candidates to apply for positions advertised. ▪ Link remuneration to the post level ▪ Implementation of Salary Scales ▪ Encashment of leave days as per collective agreement ▪ Provide Staff Accommodation.
Employee Wellness Programmes	▪ Develop policy on employee wellness programme, which will address physical, emotional and mental health of employees. This will ensure that employees are productive. ▪ Work Related Stress Management ▪ HIV/ AIDS action plan ▪ Absenteeism ▪ Substance abuse ▪ Sexual Harassment ▪ Bereavement Counselling ▪ Sport & Recreation ▪ Appointment of Service Provider for Employee Assistance Programme
High Staff Turnover	▪ Develop an intensive retention strategy. ▪ Link the retention strategy to incentives and to personal development plans which look at the individual employee benefits
Employees	▪ This will be encapsulated in the retention strategy, which is to be developed.

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Demotivation	▪ Link work performance to information technology, which brings about new methods executing duties. ▪ Team Building activities ▪ Support the availing of promotional opportunities to employees in the lower levels with the potential to develop within the organisation. ▪ Draw up clear succession plans
Performance improvement	▪ Implementation of the approved performance management system which is broadly understood by section 56 Managers and section 57 ▪ Ensure roll out of performance management system to ALL Departmental Heads to ensure proper work management. ▪ Alignment performance management to incentives and to retention strategy.
Capacity Building	▪ Develop skills development plan ▪ Analyse available skills within the organisation ▪ Planed trainings to develop staff ▪ Prioritise the training areas ▪ Capacitate the employees on internally through Supervision.

10.6 Employment Equity Plan

In compliance with the Employment Equity Act, Act no. 55 of 1998, the municipality has developed and is implementing this Plan. The plan was submitted to LGSETA on the 30th of April 2014.

10.7 Workplace Skills Development Plan

The Municipality has in place a Workplace Skills Development plan which is annually submitted to LGSETA which then is assessed by LGSETA and funding is thereafter received from LGSETA for the training and development of municipal officials. The following people were trained on the following programmes

POSITION	PROGRAMME
SCM Manager	MFMP
Manager Planning	MFMP
Director Corporate Services	MFMP
Finance Interns x 3	MFMP
Cybercadet	A+ Computer training
IDP Manager	MFMP

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10.8 State of Policies

The following table indicates the various policies that the municipality has and the status thereof.

Policy	Status (draft/adopted	Adoption date
Leave Policy	Adopted	26 February 2015
Recruitment & Selection Policy	Adopted	24 June 2013
Attraction & Retention Strategy	Draft	
Occupational Health & Safety Policy	Draft	
Fleet Management Policy	Adopted	24 June 2013
IT Internet & Security Policy	Draft	
IT Governance and Framework	Draft	
User Access Management Policy	Adopted	26 February 2015
Back-up Policy	Adopted	26 February 2015
Patch Management Policy	Draft	
Disaster Recovery Policy	Draft	
Municipal Property Rates Policy (BTO)	Adopted	
Credit Control Policy (BTO)	Adopted	
Supply Chain Management Policy (BTO)	Adopted	
Risk Management Policy	Adopted	
Fraud Prevention & Corruption Strategy	Adopted	23 January 2015
Performance Management Framework	Adopted	26 June 2014
Communication Strategy	Adopted	24 April 2014
Ward Committee Functionality Policy	Adopted	24 April 2014

10.9 Addressing AG Concerns in relation to Municipal Transformation & Institutional Development

There we no AG concerns in relation to the Municipal Transformation & Institutional Development for financial year 2014/15.

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10.10 SWOT Analysis of Municipal Transformation and Institutional Development

The following table provide a swot analysis of Municipal Transformation and Institutional Development of the municipality.

Strengths	**Weaknesses**
▪ Workplace training ▪ Presents of related policies ▪ All critical posts filled	▪ Do not have a specialized environment personnel ▪ Do not have ICT policy framework ▪ Lack of enforcement of municipal by Laws ▪ Lack of skills transfer by consultants and capacitated employees
Opportunities	**Threats**
▪ Provincial Support on relevant grants ▪ Employment of youth results in a sustainable human resource	▪ The rural nature of the municipality may result in the loose of well capacited and capable employees ▪ Should the grants be terminated the municipality may suffer on the grants supported systems

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11. BASIC SERVICE DELIVERY

11.0 Introduction

This chapter contains information relating to basic service delivery and Infrastructure analysis of Nkandla Local Municipality. This chapter is composed of information on Water & Sanitation; Solid Waste Management; Transportation Infrastructure; Energy; Community Facilities; Human Settlement; Telecommunications; Auditor General Concerns and SWOT Analysis

- **Municipal Functions**

As part of the introduction to this section it is proper to present the functions that are performed by Nkandla LM. This is aimed at giving a clear status of what is done by the municipality together with other spheres of the government.

Type of Service	Executed by Nkandla LM	
	YES	NO
1. Water Service Authority		✓
2. Sanitation		✓
3. Waste Management	✓	
4. National, Provincial & District Roads		✓
5. CBD Roads & Access Roads	✓	✓
6. Health Care Services		✓
7. Electricity Maintenance in town	✓	
8. Electricity Connections		✓

The section contains service delivery items that are yet to be rendered by the municipality in various wards. These items may take more than 3 years to be implemented (MTEF) however the municipality is expected to be seen taking initiatives in address these backlogs. Long term plan must talk to backlogs strategies and clear implementation plan. In order for the municipality to measure progress these items should incorporated to SDBIP's. These items were collated during IDP road shows and public participation sessions made during the review process of the IDP 2015/16. Backlogs that are not mandated to the municipality will be mentioned on a separate paragraph

❖ **Backlogs that are not mandated to the municipality**

- Upgrade and maintenance of district and provincial roads in Nkandla as a whole.
- Road Signs
- Speed Humps
- Taxi Ranks
- Zibambele Projects
- Upgrading of Water Schemes in almost all 14 wards
- Water Services
- Health Care Facilities Development (Clinics) in various wards.
- Construction of Sport fields
- Library Service Development
- Satellite Police Stations
- Schools Development
- Sanitation Backlog
- Dipping Tanks & Tractors
- Housing Projects
- Pension Pay Points

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11.1 Water & Sanitation

Water and sanitation is not a core function of Nkandla Local Municipality. This function is performed by uThungulu District Municipality and is the districts core function.

11.1.1 Water & Sanitation backlog

This is the state of Water & Sanitation backlog

- Water backlog

2001/2002 Households	2001/2002 & Backlog	2008/2009 Households	Households with Water	Households without Water	2013/2014 % Backlog
21 085	72%	25 757%	17 781	7 976	31%

- Sanitation backlog

2001/2002 Households	2001/2002 & Backlog	2008/2009 Households	Households with Sanitation	Households without Sanitation	2013/2014 % Backlog
21 085	94%	25 757	20 335	5 422	21%

11.2 Solid Waste Management

This section outlines the status of the solid waste management situation at the municipality.

11.2.1 Status

The municipality has waste management policy and a waste management plan in place adopted by council in 2012/13 financial year. Currently the municipality is only able to collect waste from Ward 5, Qhudeni & Lindela nodes. The municipality is unable to collect waste from the remaining areas due to financial constraints.

11.2.2 Solid Waste backlogs

The map indicated above also indicates the areas that do not have solid waste management and this comprises the larger part of the municipal area. This indicates that solid waste management is a challenge in the municipality.

Nkandla is collecting waste on scheduled basis on ward 5 and the dumping site is being developed in partnership with Department of Environmental Affairs. There are dedicated personnel that perform the duties and functions of waste management on

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daily basis. Due to budget constrains the municipality cannot offer waste management services to all the wards however support on waste collection is given to certain areas that are producing above average waste on weekly basis. The municipality is committed to ensure the provision of adequate waste management that is within the Legislative frameworks yet provides the healthy environment to the people of Nkandla.

11.2.3 Waste Collection

The level of refuse removal service that is provided by the Nkandla Local municipality is not adequate to meet acceptable service delivery standards. Problems experienced and identified relate to inadequate service provision that does not reach each household, therefore posing health and safety risks, including environmental pollution and consequently land degradation. In most areas there is no refuse collection at all, and illegal dumping becomes the only option for households to get rid of the waste and its associated nuisance and health risks.

Waste collection at household level is received by about 1900 households out of the 22 387 formal households in Nkandla. This constitutes only about 4.5%, leaving a backlog of more than 95% without any waste collection services.

This collection service is rendered about four days in a given week, with the only day with no collection in town being Wednesday. The only areas that receive waste collection outside Nkandla town; Khombe hospital (every Wednesday) and a Multi-Purpose Centre in kwaNxamalala (once a month).

Where there are rural communities, there is a general lack of waste services and no street cleansing. The common way of managing waste at household level is to bury it in the ground or through burning.

11.2.4 The Waste Collection Schedule

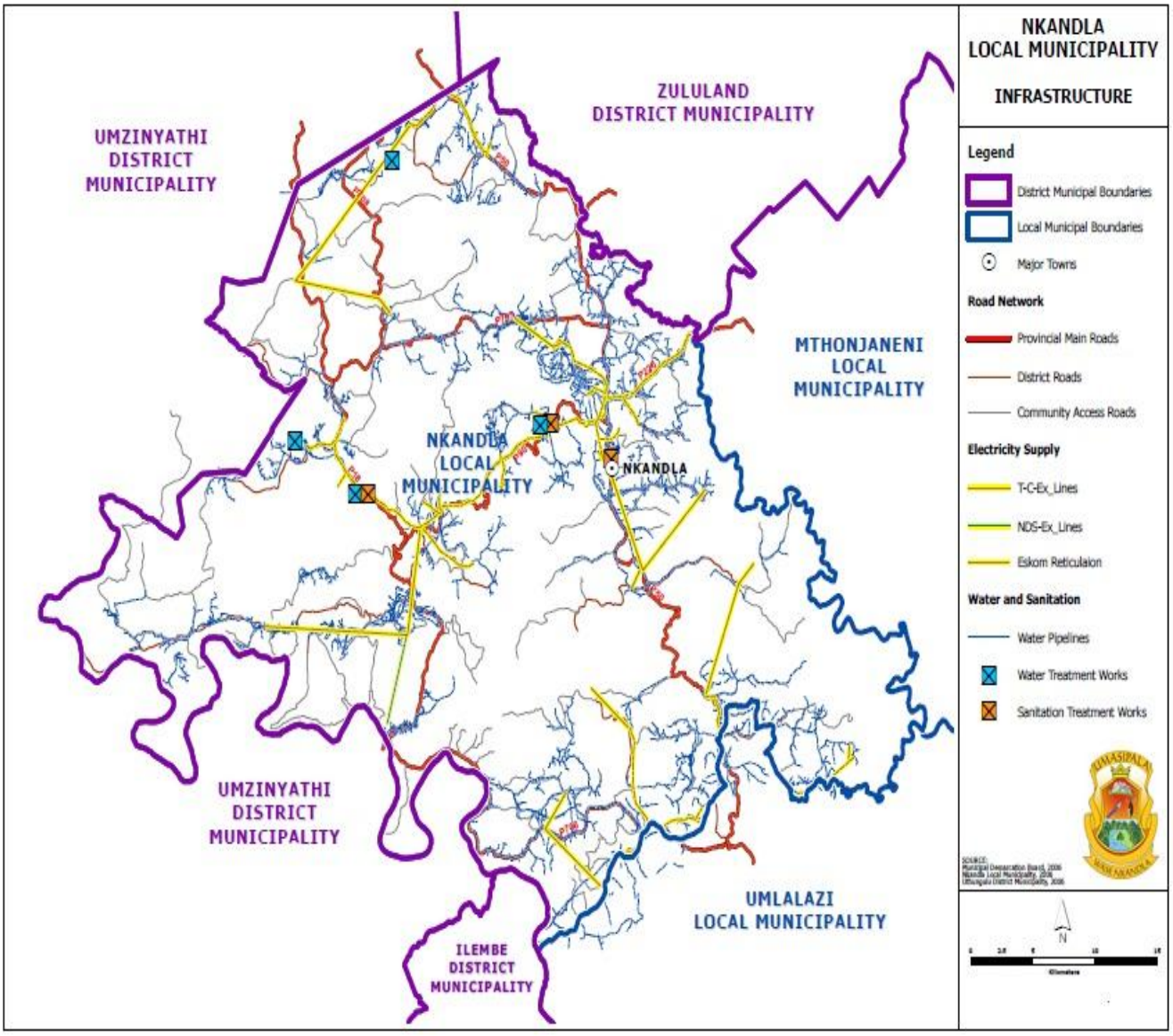
Ward	Area	Day of Collection
1	Majuba	No collection
2	Mabhuqwini	No collection
3	Thaleni	No collection
4	Ngwegweni	No collection
5	Nkandla CBD 1900 households in Nkandla	Monday, Tuesday, Thursday & Friday
6	Mandaba	No collection
7	Sbhudeni, Wangu, Vumanhlamvu	No collection
8	Khombe Hospital,	Wednesday
9	Zintinini	No Collection
10	Nkonisa	No collection
11	Ophindweni	No collection
12	Dolwane	No collection
13	Mpabalala	No collection

14	Multi-Purpose Centre (once a month) Nxamalala, Magwaza	Once a month in Nxamalala; no collection other areas

Source: Nkandla Waste Section

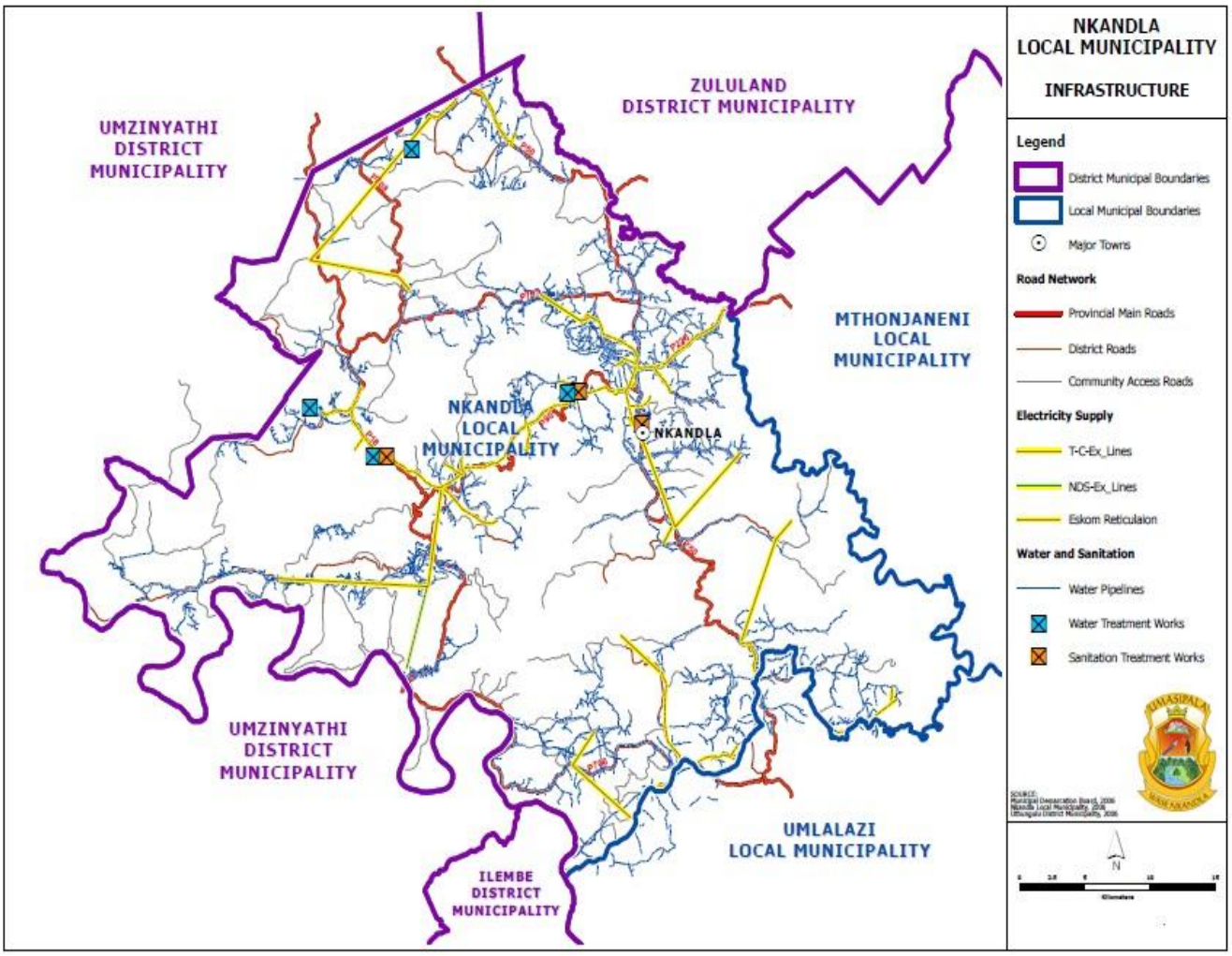
11.3 Transportation Infrastructure

Current transportation infrastructure in the municipality



Proposed transportation infrastructure in the municipality

- **The map below shows the transportation infrastructure**



As indicated above in the map this function is not mandated to Nkandla Local Municipality. The municipality in its Spatial Development Framework the following routes were identified as key for development of Nkandla LM. These roads will unlock development to Nkandla Development Nodes and tourism attraction sites; further to that these roads will boast the economy of the municipality.

The following routes have been identified as important link roads to ensure secondary access to the Regional Development Corridor:

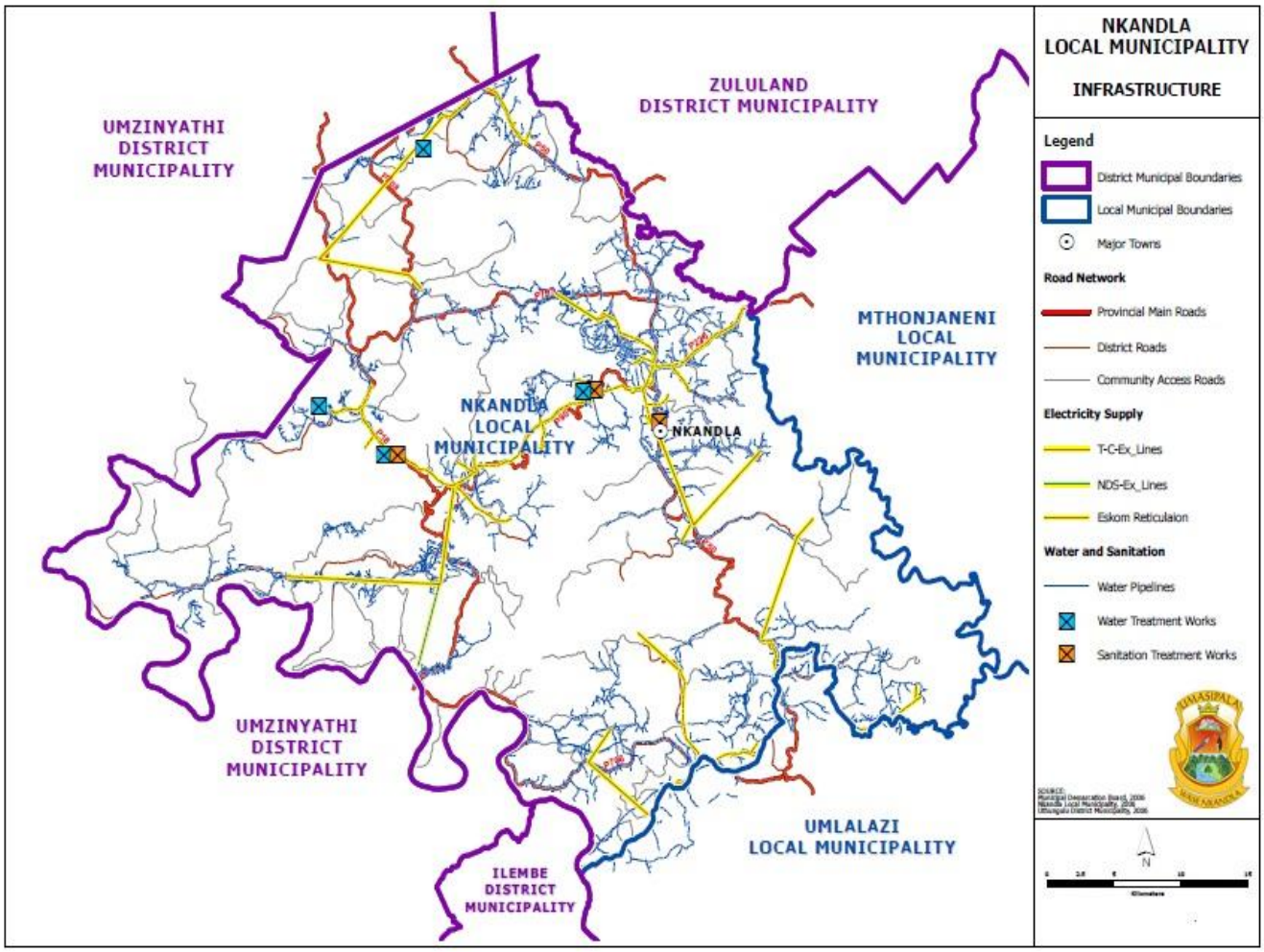
- The P16 between Jameson's Drift and Qhudeni up to where it links with the P707;
- The P707 which provides access to the proposed Ekukhanyeni Service Node and the proposed agricultural investment areas to the south and north of the latter Service Node.

The following access routes needs to be upgraded and should open access to extremely poor communities in the southern region of Nkandla route D1599 to King Cetshwayo's grave and other existing tourist amenities. These tourist sites can be better marketed:

- D1642 to Matshenezimpisi Guest Houses (8.3km).
- D1599 to King Cetshwayo Grave Site (11.84km). Grave Site – an important tourist site

11.4 Energy

Nkandla Local Municipality and Eskom is the energy provider for the Municipality.



11.4.1 Operations and Maintenance plan for electricity.

ACTIVITY	FINANCIAL YEAR	TAGERT DATE
PHASE 1	**2014/2015**	**31 JUNE 2015**
• Dismantle existing 35mm SQ LV ABC and LV poles and restring with 5.5km of new 70mm SQ LV ABC with insulated neutral was done and finished • Install new split metering meter and User interface unit in customer's home test and commission installation for 572 connections, only three meters that were not installed as the costumers were not available in the houses • Dismantle 600m existing MV ABC and MV poles and string with 600m (Route length) of new MV ABC on 17 new 11m (200-220 top dia) poles, this was done and finished and only one section that is not yet energised supplying the hospital • Installation 4x 200KVA 11KV transformers complete with structure and earthing and all accessories required was done. • Existing Street Lighting were repositioned on both new MV and LV poles. • Install 4 new 200KVA 11KV transformers complete with structure and earthing.		
PHASE 2	**2014/2015**	**31 JUNE 2016**
• Dismantle existing 35mm SQ LV ABC and LV poles and restring with 2.5km of new 70mm SQ LV ABC with insulated neutral • Dismantle existing Pole top box and install new split metering type pole top box. • Install new split metering meter and User interface unit in customer's home test and commission installation for new connections. • Plant 90 new 9m (140-159 Top dia) poles for new LV ABC • Dismantle 2.5km existing MV ABC and MV poles (Route length) of new MV ABC on 65 new 11m (200-220 top dia) poles. • Existing Street Lighting to be repositioned on both new MV and LV poles. • Install 6 new 200KVA 11KV and 4 new 100KVA 11KV transformers complete with structure and earthing and all accessories required. • Install 10 new transformer links and 2 new line links • Install 2 new 11+22kV Reclosers		
PHASE 3	**2015/2016**	**31 JUNE 2017**

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• Dismantle existing 35mm SQ LV ABC and LV poles and restring with 3.5km of new 70mm SQ LV ABC with insulated neutral • Dismantle existing Pole top box and install new split metering type pole top box. • Install new split metering meter and User interface unit in customer's home test and commission installation for new connections. • Plant 120 new 9m (140-159 Top dia) poles for new LV ABC • Dismantle 2.4km existing MV Fox and MV poles and string with 1km (Route length) of new MV Fox conductor on 50 new 11m (200-220 top dia) poles. • Existing Street Lighting to be repositioned on both new MV and LV poles. • Install 5 new 200KVA 11KV and 4 new 100KVA 11KV transformers complete with structure and earthing and all accessories required. • Dismantle 1km existing MV ABC and MV poles and string with 1km (Route length) of new MV ABC on 25 new 11m (200-220 top dia) poles. • Install 9 new transformer links and 3 new line links(Fused)		
DAY TO DAY ELECTRICAL MAINTENANCE		
Maintenance of street lights	To be attended within 24 hours	
Resolve Electrical queries for Nkandla town	Queries to be attended and solved within 24 hours after reported	

11.4.2 Electricity backlogs for Nkandla Municipality

Project name	**Financial year**	**Ward**
Nhloshane Electrification	2015/2016	09
Makhanyezi Electrification	2012/2013	07
Emathengeni Electrification	2012/2013	08
Bangamanzi electrification	2011/2012	08
Sxhokolo Electrification	2011/2012	04
Nsuze Electrification	2012/2013	10
Sdashi Electrification	2015/2016	09
Emadlozi Electrification	2012/2013	10
Ezijibeni Electrification	2012/2013	09

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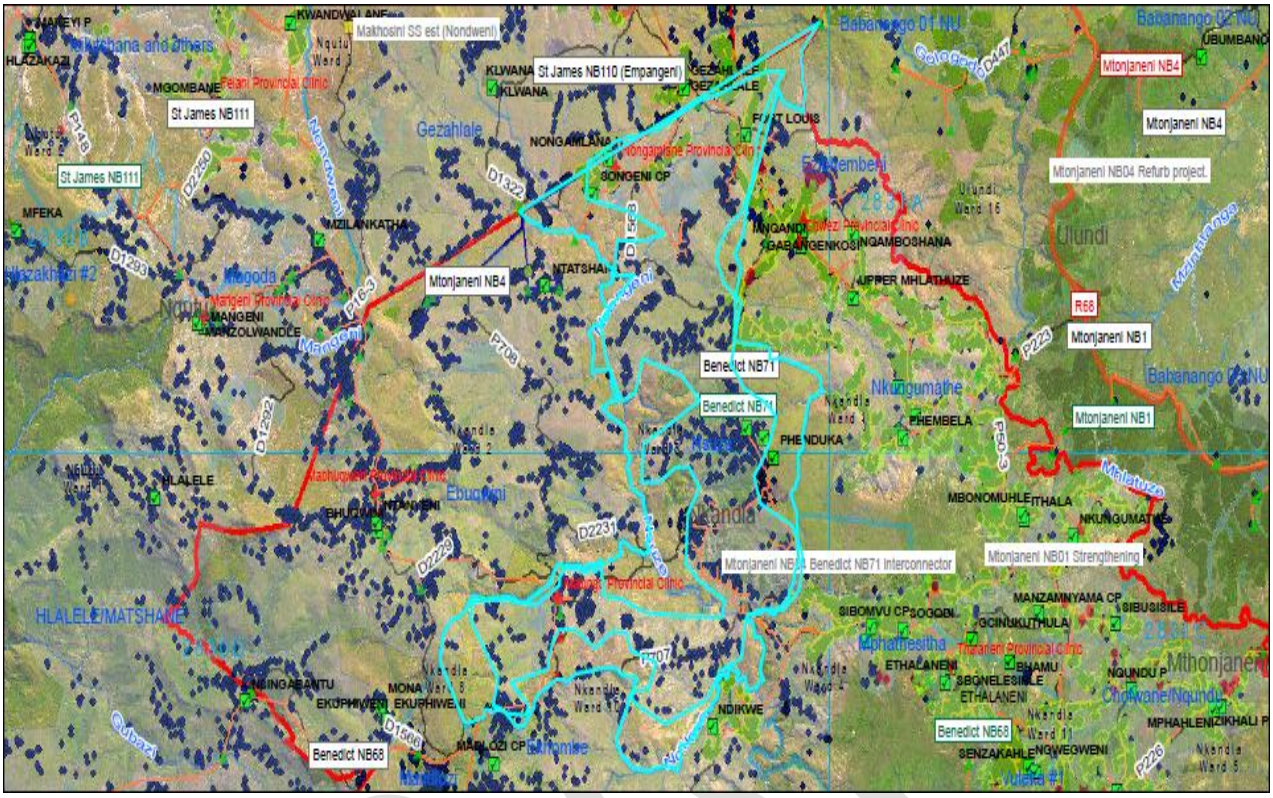
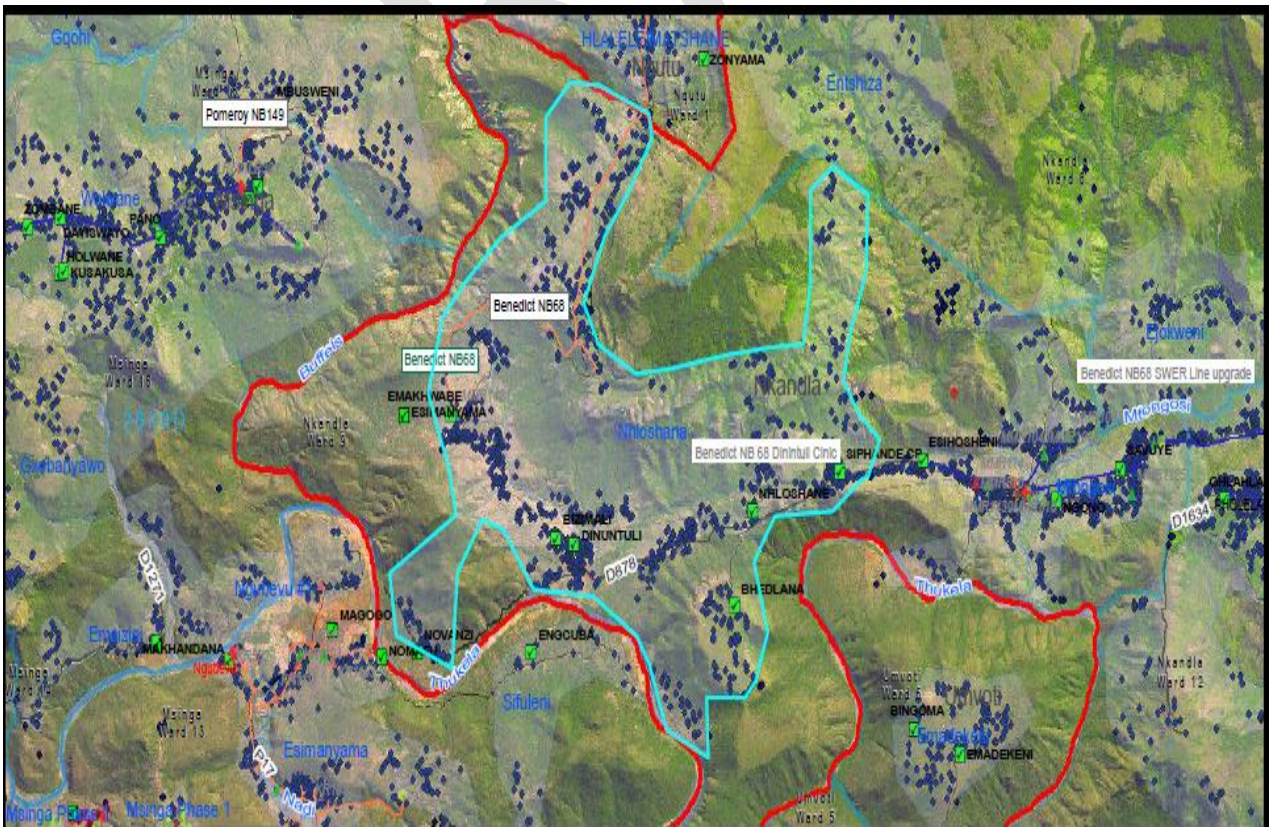
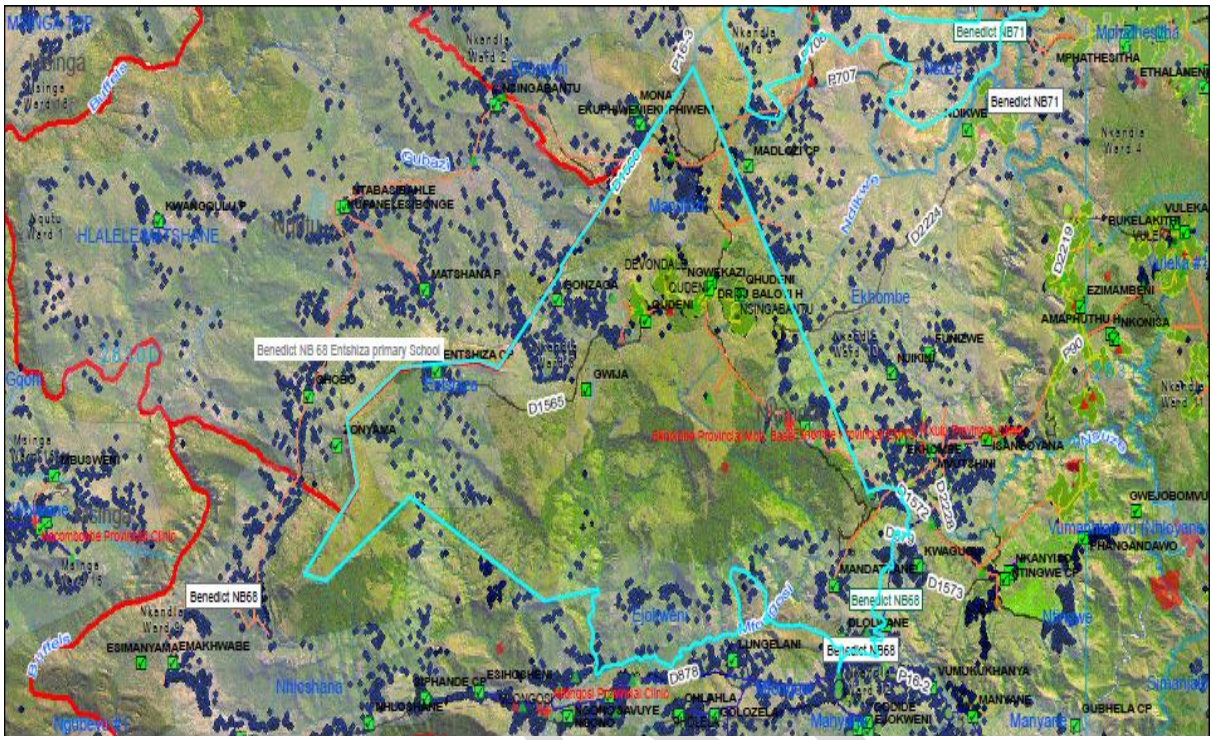
- The below map shows the electricity backlog within Nsuze Municipal Area



The below map shows the electricity backlog within Nhloshana Municipal Area



The map below shows the electricity backlog for Qudeni area with the Nkandla Local Municipality.


Benedict NB71
Benedict NB68 Entshiza primary School
Benedict NB68
Benedict NB68
Benedict NB68
P707
D1565
D1573
D2219
D2224
D2228
D878
P30
MPHATHESITHA
ETHALANENI
MADLOZI CP
MONA
ERUPHWEVIEKO PHIWEN
NSINGABANTU
KWANGQULU
HLALELENTSHANE
MATSHANA P
DEVONDALE
NGWEKAZI
GHUDENI
QUDENI
DRUJ BALOTH
NSINGABANTU
GONZAGA
ENTSHIZA CP
GWIJA
ONYAMA
NUIKINI
EZIMAMBENI
AMAPHUTHU
NKONIGA
BUKELAKUTHI
VULEKA
GWEJOBOMVU
KWAGUMA
MANDATANENI
OLOLWANE
LUNGELANI
ESIMANYAMAEMAKHWABE
ESIHOPHENI
MPHANDE CP
MHLOSHANE
OHLAHLA
GOLOZELA
VUMUKUKHANYA
MANYANE
GUBHELA CP
Ekombe
Ejolweni
Nhlosha
Nkandla Ward 2
Nkandla Ward 4
Nkandla Ward 11
Nkandla Ward 9
Nkandla Ward 8
Nkandla Ward 1
Msinga Ward 8
Msinga Ward 9
Msinga Ward 11
Nkandla Ward 3
Nkandla Ward 5
Nkandla Ward 6
Nkandla Ward 7
Nkandla Ward 10
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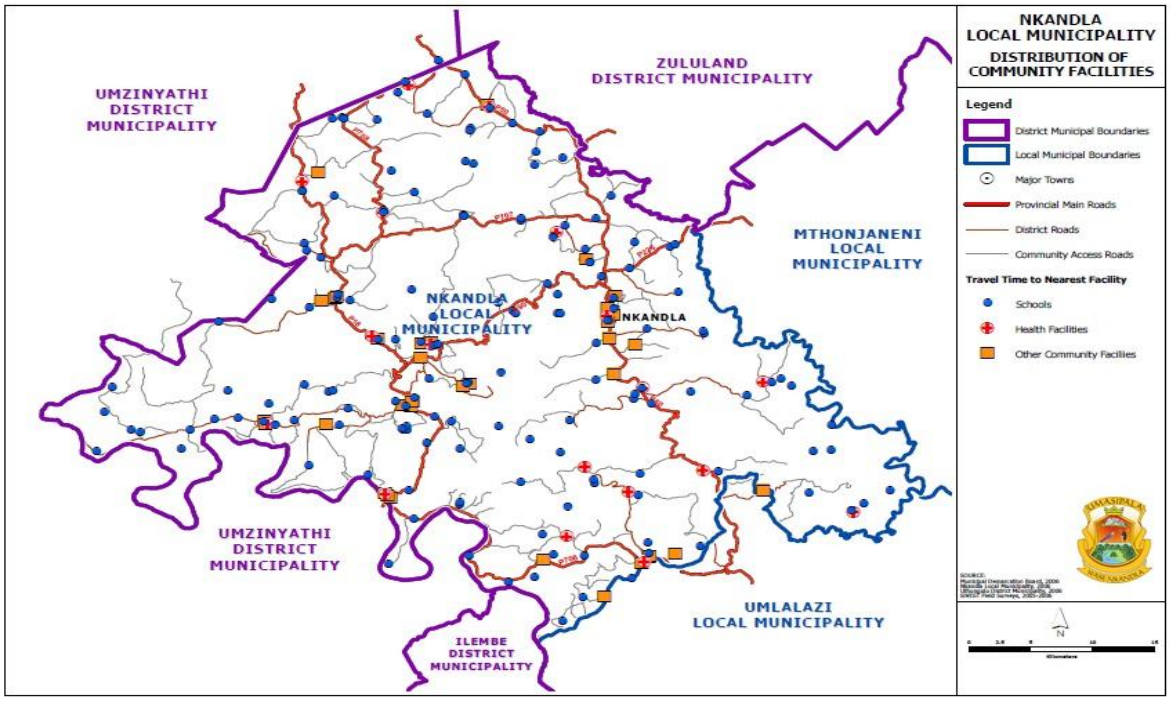
Nkandla Ward 12
Nkandla Ward 13
Nkandla Ward 14
Nkandla Ward 15
Nkandla Ward 16
Nkandla Ward 17
Nkandla Ward 18
Nkandla Ward 19
Nkandla Ward 20
Nkandla Ward 21
Nkandla Ward 22
Nkandla Ward

11.5 Community Facilities

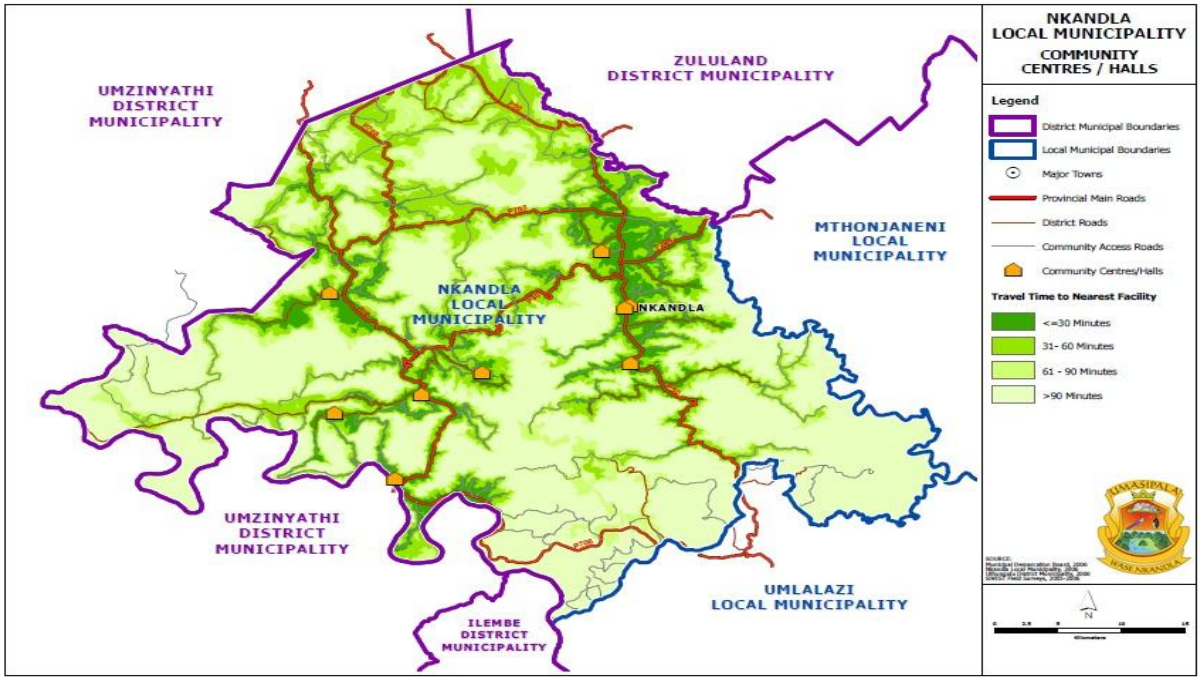
11.5.1 Status of Community Facilities

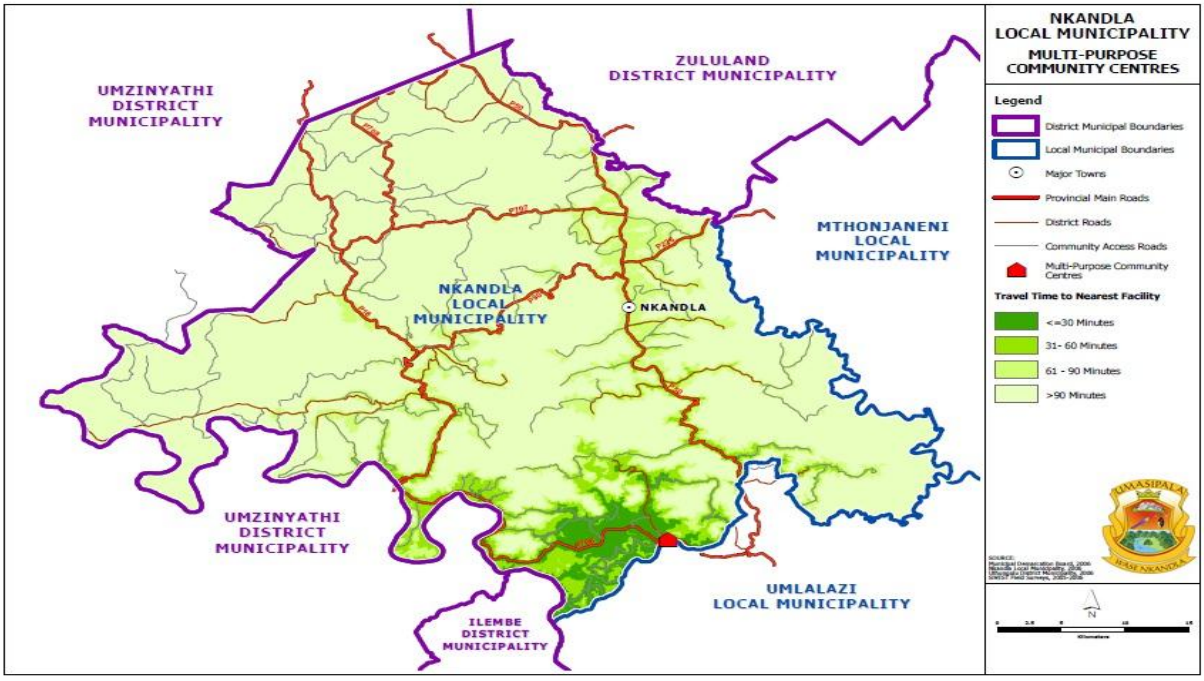
The below map shows Nkandla Community Facilities



Community Halls

Map showing Community Centres/ Halls

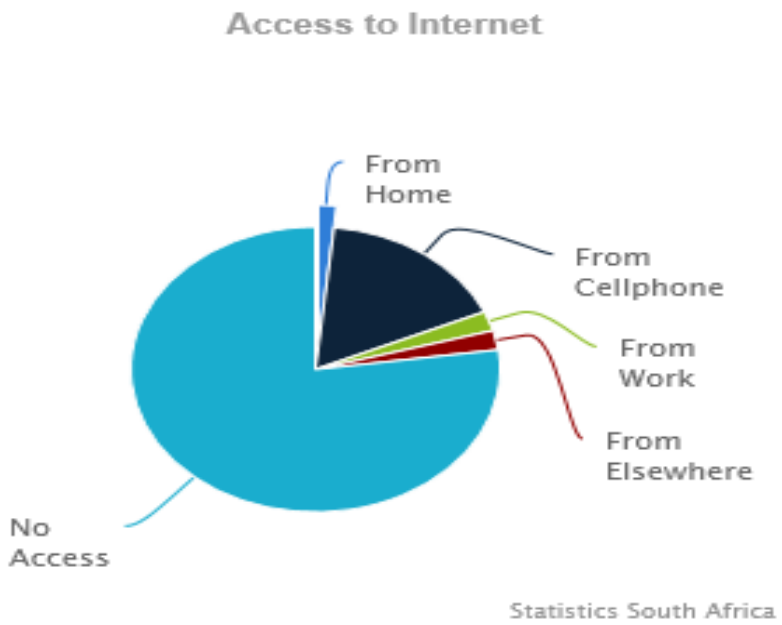




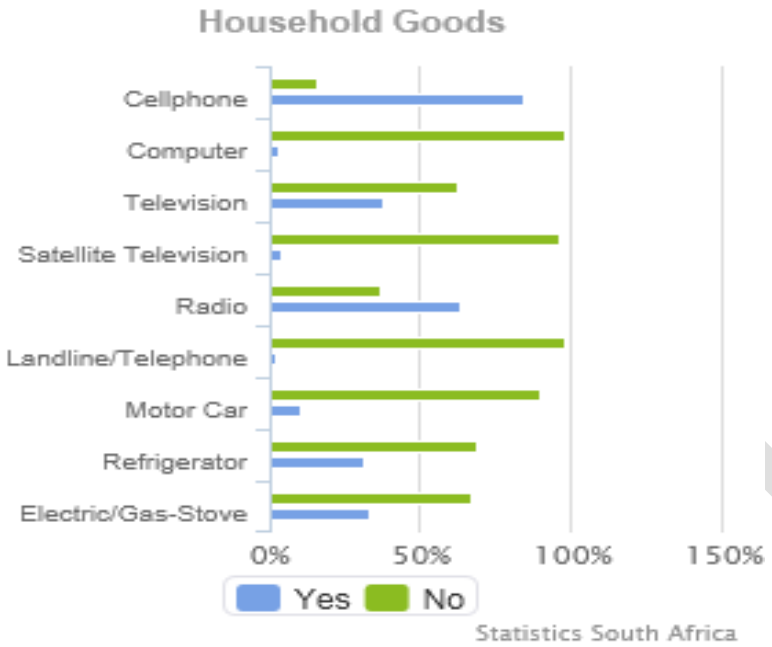
11.6 Telecommunications

The Statistics SA 2011 Census result indicates the following in respect of telecommunication.

- Access to Internet



- **The use of household goods**



3.6 AG Concerns

There were no AG's concerns in relation to Basic Service Delivery KPA

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12. LOCAL ECONOMIC DEVELOPMENT

12.0 Introduction

Nkandla forms the most western local municipality (KZ286) of the uThungulu District Municipality (DC28). It is situated close to the country's two largest ports, lying about 130 kilometers inland from Richards Bay and 250 km north of Durban.

Nkandla Town, classified as a Rural Service Centre (RSC) and a Provincial Rural Administrative Centre (PRAC), is the only formalized urban area located within Nkandla situated approximately 55 kilometers south-west of Melmoth and 60 kilometers from Eshowe. It is isolated from the major economic development corridors: access is via a main tar road from Melmoth, and tar roads from Eshowe, Kranskop and Nqutu.

Nkandla can be defined as magnificent rolling hills that lush with the indigenous greenery with zigzagged puzzles of rivers that run endlessly forming beautiful pathways in between the green mountains. This is one of the most beautiful places in South-Africa. It lies untouched in its most natural form; the air is unpolluted; the place is rich with culture which has been preserved over many years. The place has been a cradle to the best heroes and heroines who have gone to excel in different spheres of human life, and made their mark in South Africa and the whole world. Rich heritage and the resilience of the people of Nkandla is the greatest gift they inherited from their forefathers. Their stories need to be told to the whole nation and the years of underdevelopment that followed the scorn and dislike by the apartheid regime need to be stated.

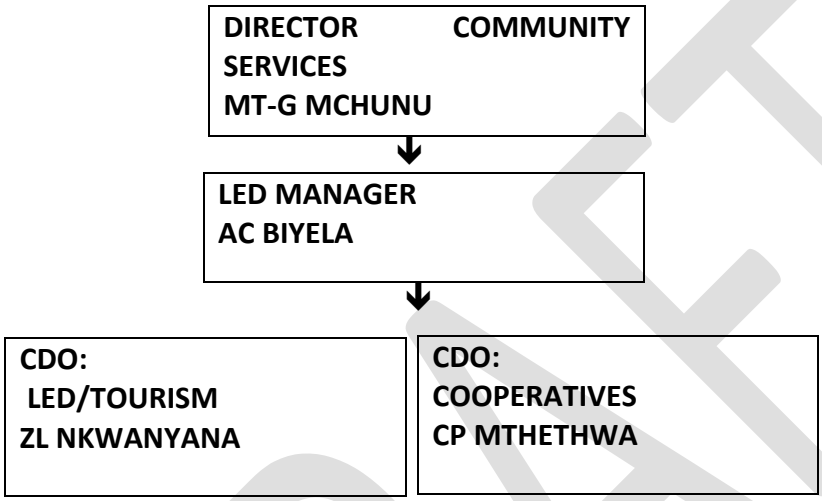
This is a place where some of the first signs of Black resistance against the system that was to put under despicable oppression for a further century emerged. King Shaka led a great war against people of Zwide in the efforts of coining the Zulu nation during Mfecane era. During the time the Zulu nation faced its greatest phase of despondency and tribulations that nearly undid the sterling work of ILembe. One of the nation's greatest Kings, King Cetshwayo was laid to rest within the spread of the untouched natural forest in this place. The people of the world need to know that Nkandla is a place where one can find solace and peace, where one can feel at one with nature, where one can turn back the hands of time and reflect on the past and get the sense of what being a true African means. Moving from a rich history to the establishment of a democratic elected government, National, Provincial and Local Municipalities: establishment and positioning of Nkandla Local Municipality:

12.1 LED Unit at Nkandla Local Municipality

The municipality has an established LED unit which is led by an LED Manager who has recently been appointed in this position and who is due make significant changes to the LED Unit that will benefit the municipality and the community.

The LED Unit prior to the appointment of the LED Manager was severely under capacitated therefor the LED Strategy was not given priority as it should be.

- **LED UNIT**



The municipality has an adopted LED Strategy which was compiled in the 2006 financial year. The LED is in desperate need of a review

The municipality at this stage does not have an Investment Policy or an Informal Economy Policy. This needs to be developed. We acknowledge that due to capacity constraints Nkandla LM does not at this stage respond effectively to the LED key performance area.

12.3 Local Economic Analysis

Nkandla has two natural forests namely Nkandla and Qhudeni of both historical and natural significance. There are two commercial plantations (Qudeni and Nkonisa) which were formerly under the auspices of the KwaZulu Department of Forestry. The Qhudeni plantation services a nearby sawmill but Nkonisa has not yet been harvested. These plantations were taken over by the Department of Water Affairs and Forestry (DWAF) in 1995. They are classified as B-Class, and are meant to be disposed of to community-business partnerships under the policy framework set up to privatise state assets.

Subsistence agriculture (maize, beans and vegetables, and sale of small livestock) generates about 16% of all household income in the area. The informal sector

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accounts for 13%, and local wages only 0.5%. The balance of household income is generated outside Nkandla either as migrants remittances (20%) or government grants (pensions and social welfare) (50%).Agricultural projects include a large number of community vegetable gardens (DoA), a maize booster programme whereby 2500 hectares of land was ploughed in the Izigqoza, Mpungose, Mahlayizeni, Zondi and Ekukhanyeni areas (DoA), the Ntingwe Tea Estate (Ithala Bank), and the Nkandla Essential Oils Project (Ikusasalethu Trust and IOTC).

Given its under-development, Nkandla is nevertheless rich in natural resources and has great potential for economic growth through agriculture. A good climate and availability of land makes it a promising centre in terms of agricultural production. Livestock, timber (Qhudeni and Nkonisa), tea (Ntingwe), herbs (essential oils), peaches and vegetables are some of the products of the area.

Ntingwe is the only employer of significance and produces tea leaf, which is fetching top prices on the London Tea Market and is being sold as a specialty tea in the United Kingdom and the United States. Ntingwe Tea is rated among the ten best tea in the world, according to Arnold Adhihetty, a senior buyer and blender at Taylor's of Harrogate, which markets Ntingwe Tea in the United Kingdom, selling it as a pure tea under the estate's name, namely in teabags marked "Zulu Tea". Yorkshire Gold, a blend of Ntingwe tea and other varieties, is a second retail brand.

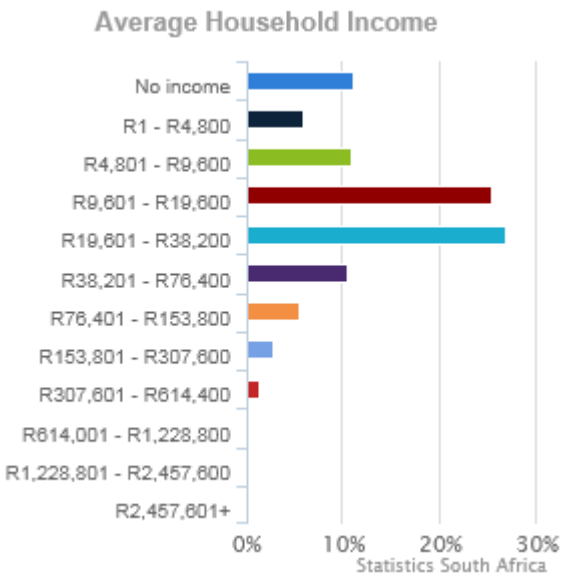
12.3.1 Economic Indicators

The economy of Nkandla is controlled from outside as most of the people work outside the area and those earning income within are spending outside the area. The income sources are as follows. Nkandla remains as one of the very poor locals within UThungulu district. This can be attributed to a very low starting point from which Nkandla's economy started. Below is what contributes to the income of Nkandla residents. Most of the people are relying on social grants so as the municipality. The following statistics gives the clear indication on the state of economic activities in Nkandla as a whole:

ECONOMIC ACTIVITY	PERCENTAGE
Subsistence Agriculture	16%
Informal Sector	13%
Local Wages	0,5 %
Migrant Remittances	20%
Government Grants	50 %
No Income	42,1 %

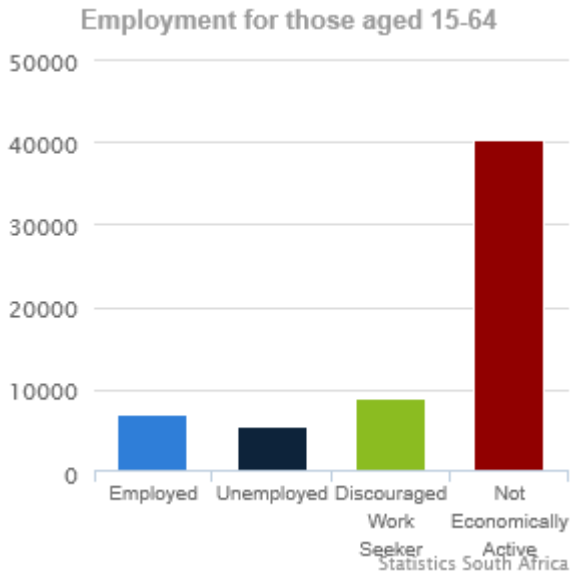
12.3.2 Income Analysis

- The Statistics SA 2011 Census indicate the following in respect of the Household Income



12.3.4 Employment Status

The 2011 Statistics SA Census indicate the following in respect of employment



12.3.5 Summary of LED situational analysis

Description	Activity
Agriculture & Forestry	
Nkandla has a moderate to high potential for cropping, particularly in the north-east region. In low potential areas, certain alluvial plains along rivers could be developed under irrigation. However, many arable fields are left unutilized and 400 tons of maize is imported into the region every month. Constraints are well known. Households often allocate their lowest potential earners to agriculture. Youth have a low image of agriculture and see involvement in agricultural activities as a way of locking themselves into a lifestyle of poverty. The sector is highly vulnerable to natural disasters (such as drought or pests) – the worst of these being the HIV pandemic, which severely impacts all aspects of household capital. Without other sources of income, households are unable to access physical inputs. Local markets are quickly saturated. External markets are difficult to access, and farmers face fierce competition from commercial sellers who benefit in production from economies of scale. Unutilized land is difficult to access because of the communal tenure arrangements	Building enabling institutions, including co-operatives, out-grower schemes, share equity, and community – private partnerships is needed to overcome these constraints. A wealth of learning from existing local programmes at Nkandla is available.
There are certain weaknesses with the provincial, and district agricultural strategies. These are: • the need to factor in the impacts of HIV/AIDS on development planning • the need to use a livelihoods framework in planning development • inherent problems with institutional vehicles such as co-operatives (all institutions have weaknesses – these	LED agricultural projects should address these issues

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should be clearly stated with checks to overcome pitfalls) • the possibility of Nkandla being marginalised in the district's agricultural development strategy, • a gender focus on agriculture particularly in the light of the impact of HIV/AIDS on women. • a strategy to bring the youth into agriculture.	
Due to the Bambatha rebellion which saw the annexure of Inkosi Shezi's land in 1906, and the Apartheid relocation of the Iziqgoza and Mbhele people in the 1960's there are complex tensions over land rights.	Notably, development of the Ntingwe Tea Estate is curtailed by these issues.
District and local IDPs make no comment on the forestry potential at Nkandla. Nkandla has two large commercial plantations – namely Nkonisa (5265 ha of which 478 ha are planted) and Qudeni (6050 ha of which 1443 ha are planted). These are classified as B-Class – and are to be disposed of to community-business partnerships under policy governing the privatisation of state assets. Distance from markets, the poor condition of the existing sawmills at Qudeni, and certain silvicultural limitations such as the lack of diversity age-classes present challenges for a feasible enterprise around the forests. The Department of Forestry has also not yet finalised its policy on B-Class forests.	The Nkandla Municipality should strengthen linkages with Traditional Leaders to deal jointly with these and other issues
There is potential for improving profitability of existing small – scale woodlots elsewhere at Nkandla.	Partner with reputable forestry companies such as NCT to assist farmers in the cultivation and harvesting of these woodlots
Business	
Most (93%) businesses were positive about the pilot BR&E survey. Many immediate issues were identified	Link to the TIK initiative and develop the BR&E programme
The ARRUP, Vukuzakhe and Zibambele programmes are in-line with the LED objectives of Nkandla Municipality. Three	Partner with the Department of Transport and the Local Department of Agriculture to create funding and

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ARRUP roads are currently in construction at Nkandla. A partnership with the Department of Transport could create broad-based job opportunities for many households at Nkandla with spin-offs in irrigation schemes and potable water supplies. There are also opportunities in construction of schools and water programmes.	implementation synergies around common vision. Given that one of the ARRUP roads is complete without visible water infrastructure left behind, this should happen as soon as possible.
The ability to procure tenders appears to be a major constraint in the success of the Vukuzakhe programme	The Nkandla Municipality should devise a strategy to build capacity among Vukuzakhe members in order to successfully tender for projects
A survey of informal traders showed: • Rental on available small-scale manufacturing "garages" is high and there is a shortage of these type of facilities. • There should be a shaded market for fruit and vegetables hawkers • SMEs lack management and business skills • There are about 350 known emerging contractors at Nkandla who are mostly unable to secure contracts because of the complicated tendering process, lack of basic start-up capital and lack of exposure to opportunities	Skills based programmes and infrastructural support programmes for informal traders
Tourism	
The tourism potential of the region is not being realised. There are no tourism facilities, but the region has high potential for the development of a tourism sector, which could bring much needed capital into both the District and Municipality: • Insufficient publications on local tourist attractions; • Poor infrastructure in the rural and tribal areas • Lack of accommodation and related	A comprehensive tourism plan, linked to neighbouring municipalities was needed**.**

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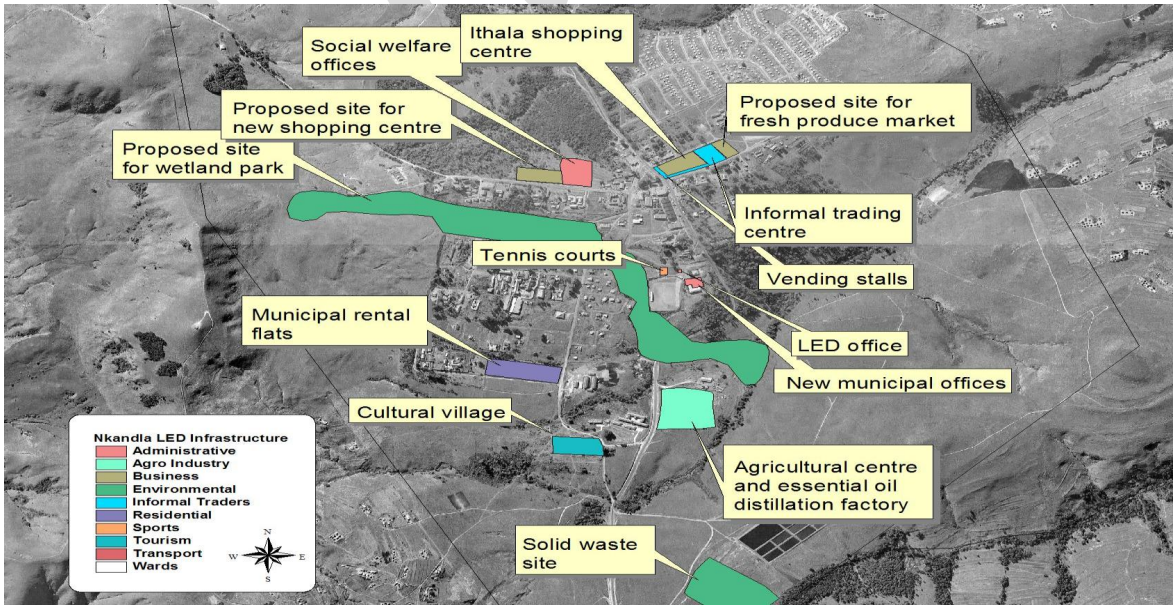
tourist facilities • The neglect of local history and culture as possible auxiliary attractions to the scenic features in the rural areas; • The lack of information, skills and business acumen to take advantage of possible tourist markets in the rural areas • The lack of adequate directional signage to tourist attractions • Violence and crime that exists (or is perceived to exist) in the area • Pollution and destruction of the scenic environment	

12.3.6 Nodal Development for Economic Growth

We have felt the need to indicate the nodal development in our municipal area as intensive development is required in these nodes to facilitate economic growth.

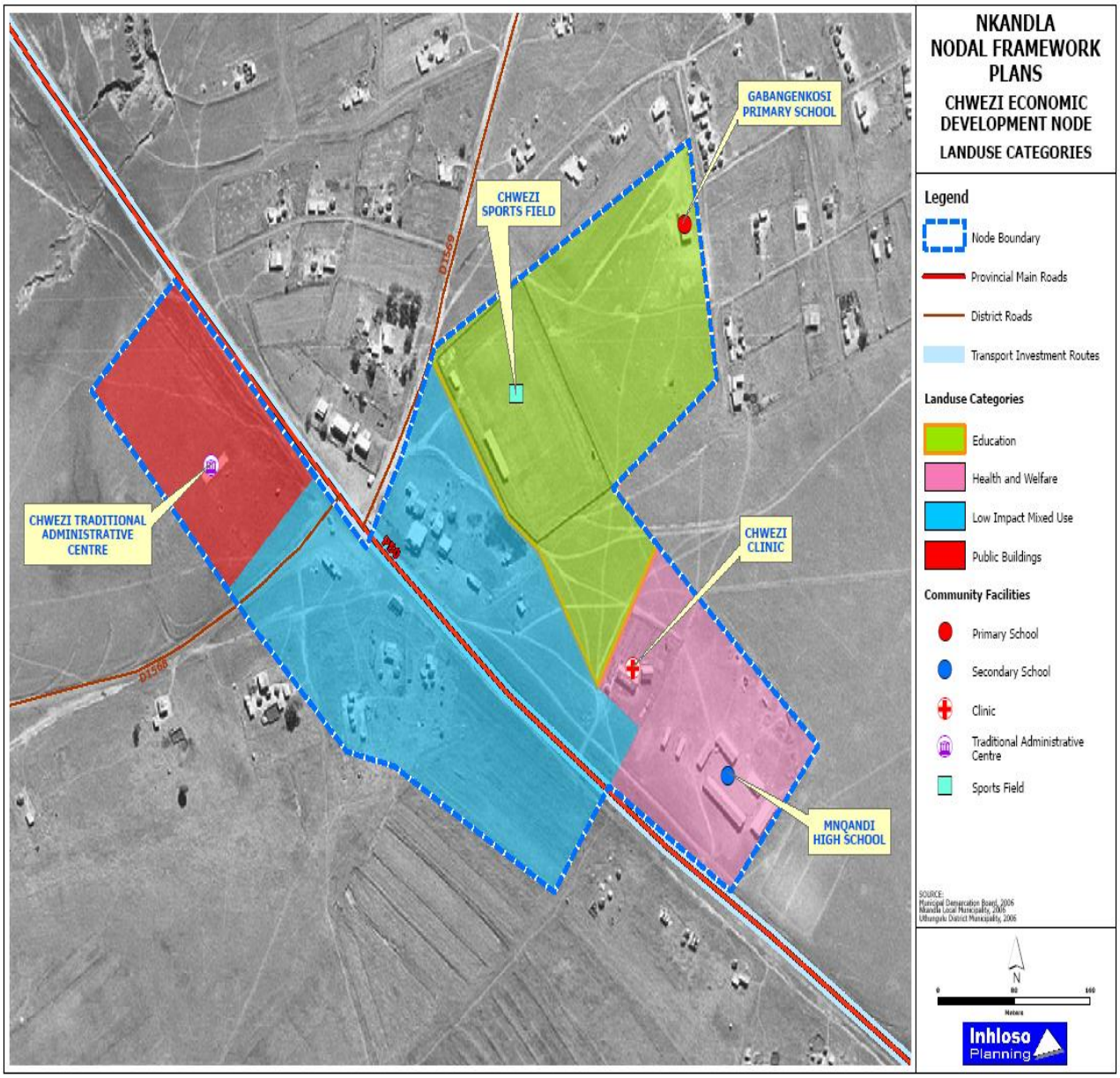
12.3.6.1 Nodal Framework Plans

Development of Nodes is a crucial for the municipality to improve its economic levels; the major challenge is to source funding to unlock development of these nodes. The focus is primarily on the primary node and secondary node. The focus will be on these nodes as a way on increase the revenue of the municipality. Tourism development is part of these nodes since Nkandla has lots of Historic Sites for tourism attraction.



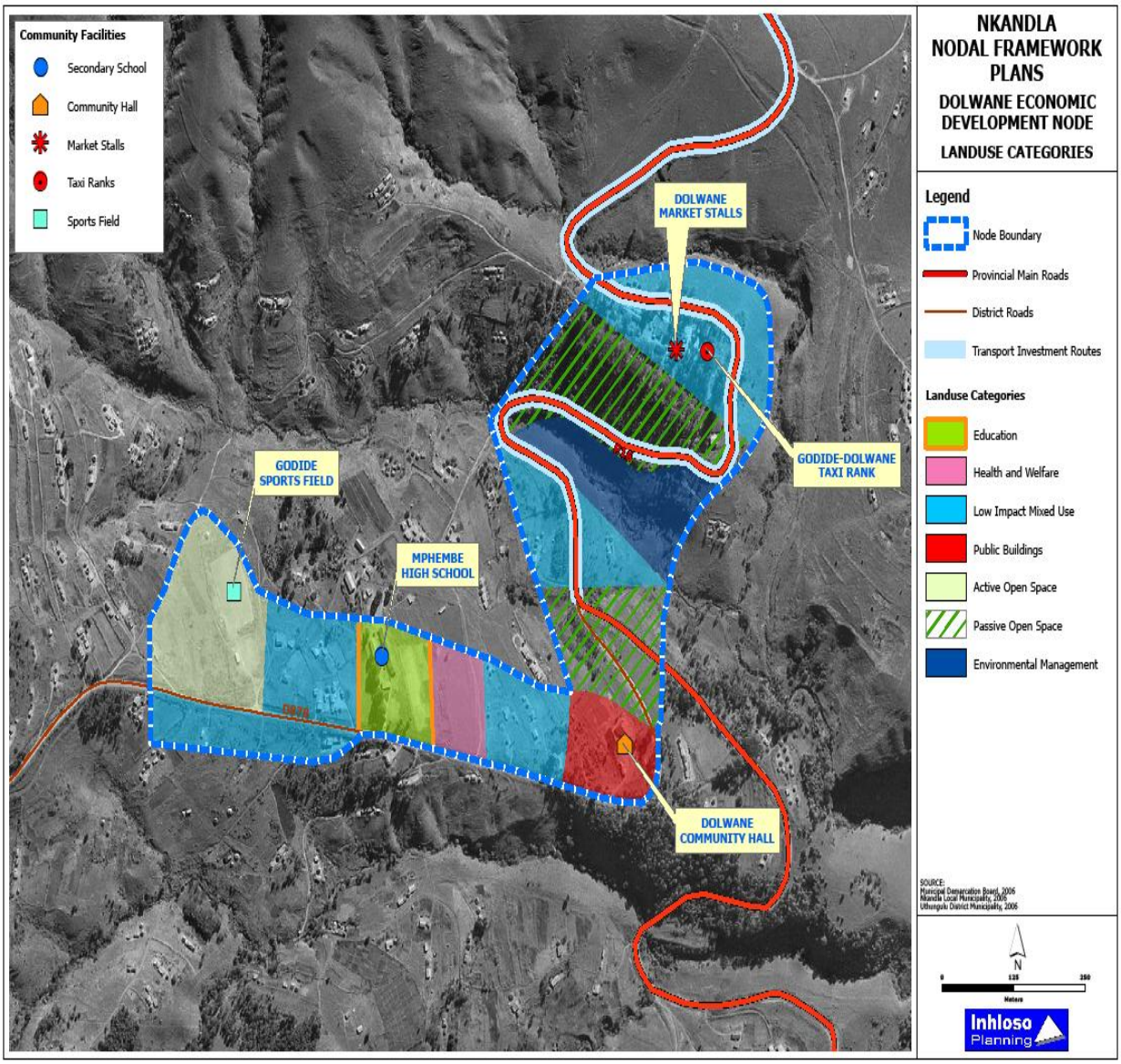
12.3.6.2 Chwezi Node

Chwezi is situated in the northern parts of the municipality on the P50-3 Road connecting Nquthu Local Municipality with Ulundi Local Municipality and Nkandla Town Itself. This node has a potential of integrating economic activities of both Nquthu Local Municipality and Nkandla Local Municipality.

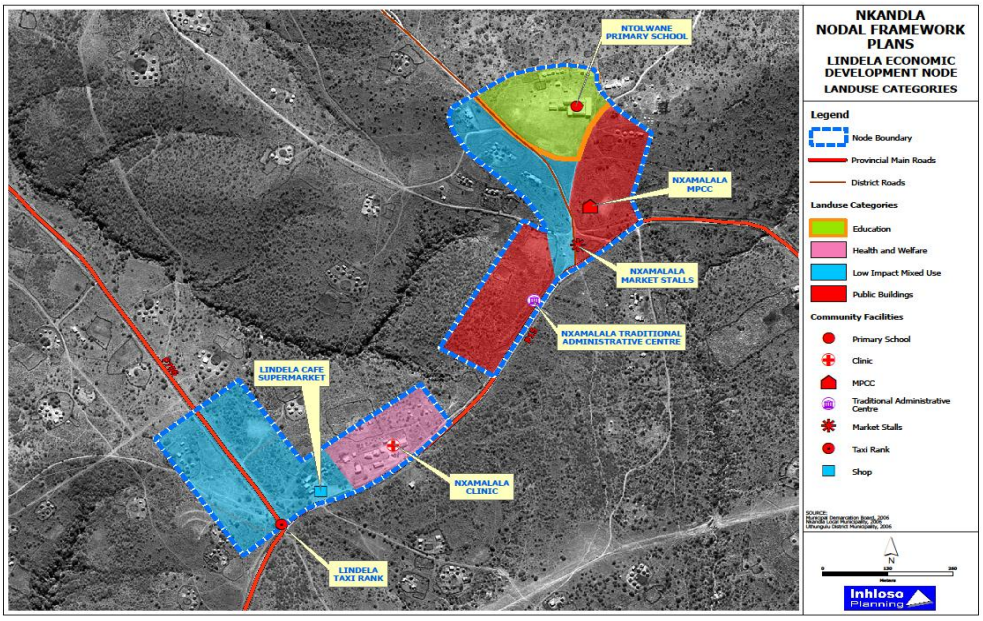


12.3.6.3 Dlolwane Node

Dolwane is centrally located in the western sub-region of the municipal area just to the west of the P16-2 Road where the P16-2 and the P90 tourism route join. The Dolwane Economic Development node is situated at an important junction between Jameson's Drift, Esihosheni, Maphutini and Qhudeni Nodes. As is evident from the Water Services Plan, the node and surrounding areas, is well serviced with water. However, electricity provision is only evident to some existing land uses in the node with high backlogs in electricity provision in the rural hinterland. The node itself is relatively constrained in terms of suitable land for future development, as a result of the undulating topography



The Lindela Economic Development Node is located in the south, along the P706 District Road, some 8kms west of the P50 / P706 intersection. Both the P50 and P706 roads are being upgraded to tarred roads. The P706 provides access to the south-western sub-region of the municipality and links Lindela with Jameson's Drift. The node is relatively well serviced with both water and electricity, but there are significant backlogs in both water and electricity in the surrounding rural hinterland.



12.4 Local Economic Development Priorities

These are the economic development priorities that have been indicated at ward level and which will be prioritized.

Services	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	W 10	W 11	W 12	W 13	W 14
Fencing of Community Gardens , Cemeteries & Grazing Land	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cooperatives Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Agricultural Support Programmes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Job Creation & Opportunities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SMME Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community Conservation Area					✓									

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12.5 SOCIAL DEVELOPMENT IN NKANDLA MUNICIPALITY

12.5.0 Introduction

The section that follows unpacks the social development aspects of the municipality and looks at various areas of social development some of which require urgent intervention.

12.5.1 Municipal Functions

As part of the introduction to this section it is proper to present the functions that are performed by Nkandla LM. This is aimed at giving a clear status of what is done by the municipality together with other spheres of the government.

Type of Service	Executed by Nkandla LM	
	YES	NO
1. Water Service Authority		✓
2. Sanitation		✓
3. Waste Management	✓	
4. National, Provincial & District Roads		✓
5. CBD Roads & Access Roads	✓	✓
6. Health Care Services		✓
7. Electricity Maintenance in town	✓	
8. Electricity Connections		✓

12.6 Community Needs for all Nkandla Wards

This section contains service delivery items that are yet to be rendered by the municipality in various wards and those that are mandated to the Province. These items may take more than 3 years to be implemented (MTEF) however the municipality is expected to be seen taking initiatives in address these backlogs. Long term plan must talk to backlogs strategies and clear implementation plan. In order for the municipality to measure progress these items should be incorporated to SDBIP's. These items were collated during IDP road shows and public participation sessions made during the review process of the IDP 2015/16.The community needs are as follows:

Services	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	W 10	W 11	W 12	W 13	W 14
Electricity & infills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Roads	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Access Roads	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fencing of Community Gardens , Cemeteries & Grazing Land	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Skills Development Facilities / FET	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Study Assistance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cooperatives Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Disaster Relief Programmes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Agricultural Support Programmes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community Care Givers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Causeways	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Job Creation & Opportunities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community Service Centres	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Disability Support	✓										✓		✓	
Pedestrian Bridge	✓													
Sidewalks	✓				✓									
Sanitation	✓		✓											
LED Market Stalls in	✓				✓			✓	✓		✓			✓

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Development Nodes														
Game Reserve Development						✓			✓					
Recreation Parks	✓													
ECD Crèche	✓		✓	✓			✓	✓	✓					
Telecommunication Network		✓	✓			✓		✓	✓	✓		✓	✓	
Maintenance of vacant sites					✓									
Shopping Mall					✓				✓					
Streetlights					✓									✓
Solar Geysers					✓									
Removal of Alien Plants							✓							
Dipping Tanks				✓		✓			✓		✓			
Lightning Conductors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Water harvesting					✓									

The ticks (✓) indicates the Ward that needs the service

❖ **BACKLOGS THAT ARE NOT MANDATED TO THE MUNICIPALITY/ UNFUNDED PROJECTS**

- Upgrade and maintenance of district and provincial roads in Nkandla as a whole.
- Road Signs
- Speed Humps

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- Taxi Ranks
- Zibambele Projects
- Upgrading of Water Schemes in almost all 14 wards
- Water
- Health Care Facilities Development (Clinics) in various wards.
- Construction of Sport fields
- Library Service Development
- Satellite Police Stations
- Schools Development
- Sanitation Backlog
- Dipping Tanks & Tractors
- Housing Projects
- Pension Pay Points
- Matshenezimpisi Community Conservation Area
- Multipurpose Community Centre
- Lightning Conductors
- Water Harvesting (Emagobongweni stream- Matshenezimpisi)
- Sibisi Traditional Administration Centre (KwaChwezi)

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12.6.1 Sports and Recreation

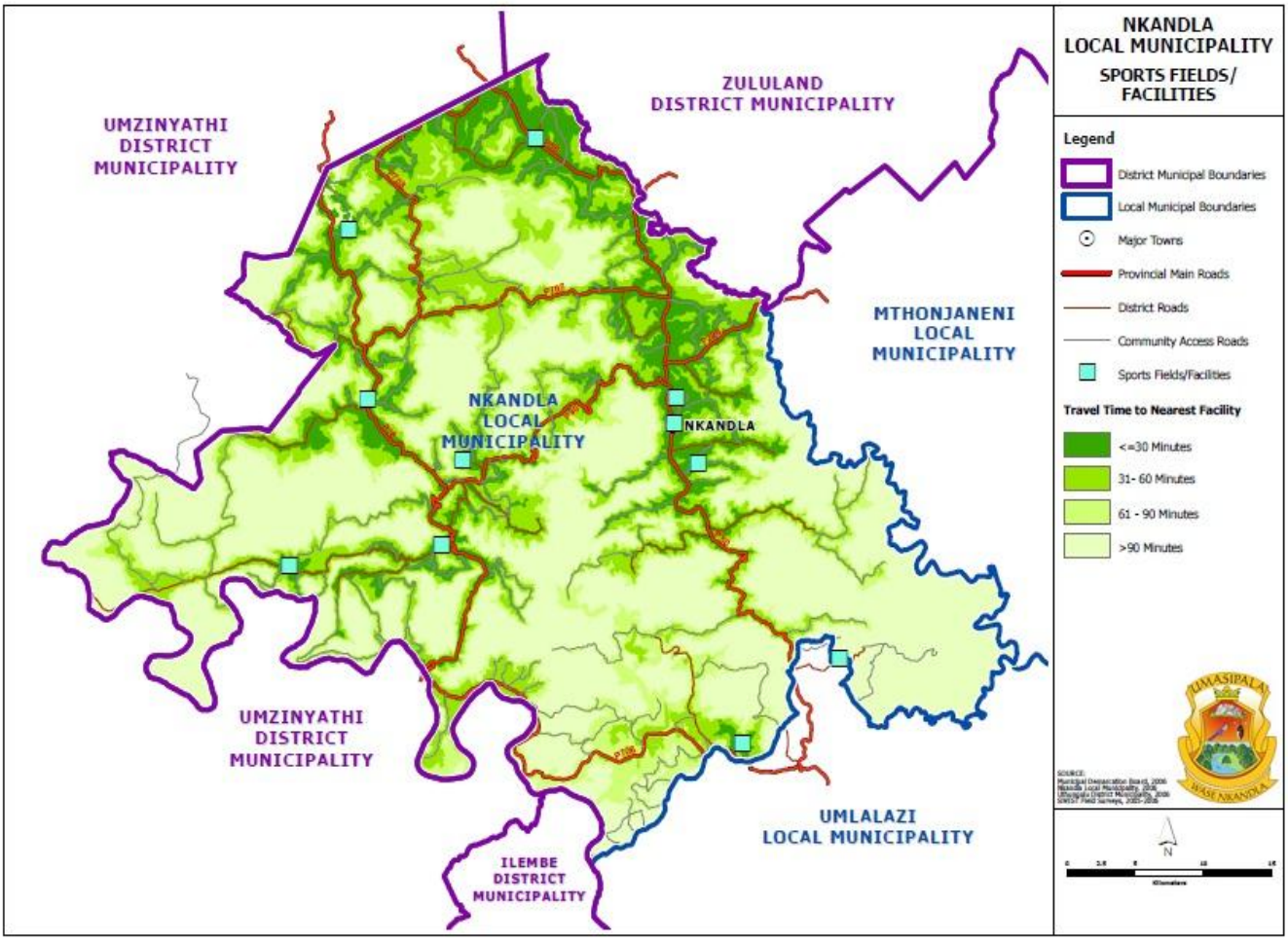
Sports Development plan is in place and the municipality is keen to focus more on this regard since Nkandla is lacking entertainment activities and sport is a vehicle to bring sort of entertainment to the citizens. More funding is needed to implement more proposed activities contained in a sport plan. Infrastructure development and sports code development is a major challenge in implementing the plan. The municipality is actively involved in district games and provincial games as part of accelerating the target of the sports plan.

12.6.1.1 Sports Strategies

Within the Sports Plan there are strategies that are explained thoroughly to give the sport strategic direction for Nkandla LM namely:

- Clubs and Sports Development
- Facility Management
- Funding and Sponsorship
- Coaching and Mentorship

- Map indicating the Sports field facilities around Nkandla



12.6.2 Early Childhood Development

The municipality in conjunction with UNICEF embarked on a research that led to the development of Local ECD Strategy on children matters. Nkandla Municipality with its council is committed to the implementation of the ECD strategy. As part of the implementation the UNICEF has developed an OVC programmes that includes establishment of child care for a. The partnership between the municipality and Department of Social Development is ongoing with regards to Early Childhood Facilities:

Development Objective	ECD Projects	Budget
To promote self-sustenance through capacitating Nkandla's community, with emphasis on vulnerable groups	Capacitating ECD Practitioners	Operational Budget
	Implementation of OVC Program	
	Training & Support of Child Care For a	

12.6.3 HIV and AIDS

Nkandla municipality is required to play a role in HIV/AIDS mainstreaming. Therefore the municipality has established Local Aids Council with representatives from all critical role players. Structures have been resuscitated by the council with in all wards. The formation of Ward AIDS Council in ward level and training thereof. The Office of the Premier through Operation Sukuma Sakhe (OSS) Initiatives has played a vital role in ensuring that the LAC and WACs are established and capacitated. The main policy document being Nkandla Local Municipality HIV/AIDS Strategy in partnership with Department of Health and other role players.

INTERVENTIONS	2014	2015	2016	RESPONSIBILITY
Provision of ARV treatment for all eligible pregnant women & children as per National guidelines	100% of both mother & child to receive ARV'S	100%	100%	DOH, Private Sector & Nkandla Municipality
Development / Scaling up /Strengthening of community base strategies / programs	At least 10% of Nkandla municipality's area implement	At least 15%	At least 20%	All stakeholders involve

that support women during pregnancy	community based strategies that support women during & after pregnancy			
Provision of formula milk to children of HIV infected women who choose and are eligible for replacement feeding and those unable to breastfeed	At least 50% of eligible children be provided with formula milk	At least 60%	At least 70%	DOH & Civil Society
Raising Public awareness on HIV risk through unsafe traditional practices	At least 85% of public awareness of the dangers of unsafe traditional practices	Atleast 95%	Atleast 100%	LM, Traditional healers, DOH & Civil Society
Training of Traditional Health Practitioners on infection control	Atleast 40% of traditional health practitioners trained on infection control	Atleast 50%	Atleast 60%	DOH, LM
Provision of supplies to traditional practitioners to ensure safe practices	Atleast 20% of traditional practitioners receive supplies.	Atleast 30%	Atleast 40%	DOH,LM,
Implementation of infection control guidelines in Home Base Care Palliative care setting	100% of Home Base Care givers adherent to infection control guidelines	100%	100%	DOH
Implementation of infection guidelines in	100% of Health Facilities adhere to	Atleast 100%	Atleast 100%	DOH,LM,Other stakeholders

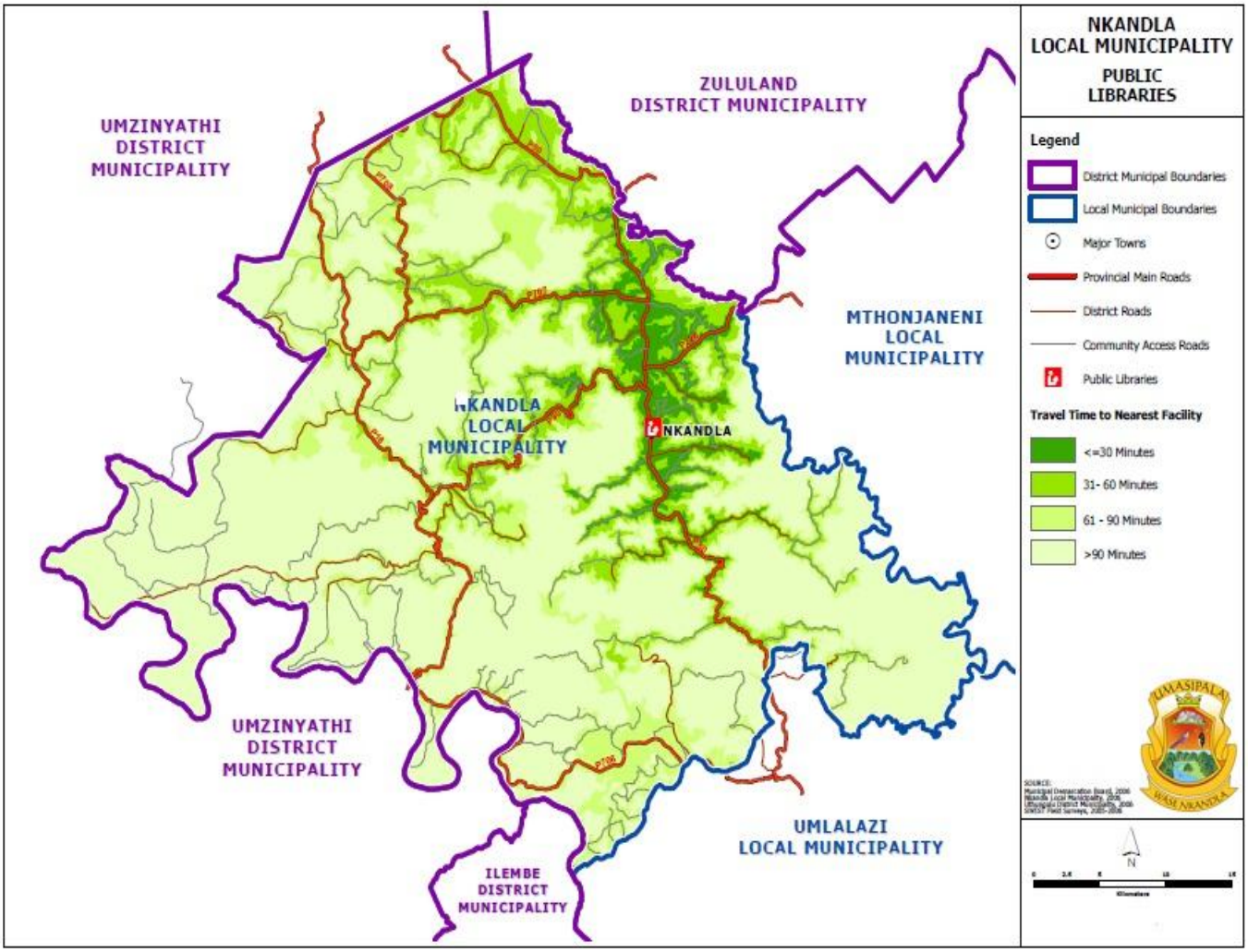
all Health Facilities	infection control guidelines			
Establishment of public sector				
Increase the number of adults & youth who have ever had an HIV test, with a special focus on men	Atleast 20%	Atleast 30%	Atleast 40%	LM,DOH, NGO's
Conduct VCT campaigns in workplace and through organised trade unions	20% of workplaces and trade unions conduct VCT campaigns	Atleast 30%	Atleast 40%	Unions in all departments & Private sector.
Initiate ARV's to all eligible clients within 1 week	Atleast 30% of all clients receive ARV within 1 week	Atleast 30%	Atleast 40%	DOH,Private sector
Provision & implementation of community based ART support and literacy programme	Atleast 15% of community based ART literacy programme	Atleast 20%	Atleast 25%	DOE,DOH,LM, Other stakeholders
Strengthen support, mentoring & supervision of health care providers	Support & Mentoring system	Support & Mentoring system	Support & Mentoring system	DOH,LM,Other stakeholders

12.6.4 Library and Information Services

The municipality in partnership with Department of Arts and Culture provides day to day operations of the municipal library services to the citizens of Nkandla. This includes Cyber Cadet Initiative.

Development Objective	Library & Information Services	Budget
To promote self-sustenance through capacitating Nkandla's community, with emphasis on vulnerable groups	Schools Outreach projects	Operational Budget Grants
	Schools Orientation projects	
	Book Exchange – Update Library	
	Computer Skills Development	
	Community Internet Café	
	Public Photocopying	
	Career Guidance	

- **Map showing Public Libraries around Nkandla**



12.6.5 Vulnerable Groups

The municipality provides for the needs of the below mentioned vulnerable groups this is prioritizes by municipality, as a results these items are on the budget on annual basis.

- Disability
- Orphans
- Youth
- Gender Empowerment
- Senior Citizen

12.7 SWOT Analysis of Socio Economic Development & Local Economic Development

Strengths	**Weaknesses**
▪ Youthful population ▪ Availability of historic sites & conservation areas ▪ Good relationship with the Amakhosi in the municipal area ▪ Large tracts of arable land ▪ Scenic Landscapes ▪ Two natural Forests	▪ High indigent population ▪ High Unemployment rate ▪ High infection rate on communicable diseases ▪ High Illiterate rate ▪ Unavailability of local constructors with high capacity ▪ Reduction in Population ▪ Matshenezimpisi Nature Reserve is poorly maintained
Opportunities	**Threats**
▪ Land within the municipal jurisdiction is highly arable ▪ Tourism is a major economic development opportunity ▪ Use Natural forests to generate tourism economic acitivities	▪ Reduction in recent population figures ▪ Lack of circulation of economic resources locally ▪ Unreview LED Strategy ▪ Poor accessibility to the Municipal Area ▪ Unavailability of commercial activities to support growth and development

13. FINANCIAL VIABILITY AND MANAGEMENT

13.0 Introduction

The following section looks at the Financial Viability and Management Key Performance Area.

13.1 State of Indigency in the Municipality

The municipality has an indigent policy which was adopted on 24 April 2014 and an indigent register will be developed in the new financial year. An indigent in Nkandla Local Municipality refers to a household where the combined or joint gross monthly income of all occupants/ residents/ dependents over the age of 18 years or who has potential earning capacity is less than two thousand five hundred per month and can no longer afford the to pay for the services provided by council.

Due to the municipality not having an indigent register it is not possible at this stage to measure the level of indigency in the municipality. The municipality has therefore prioritized the compilation of the indigent register for the new financial year.

The municipality is unable at this point in time to reflect the cost of provision of free basic service to the indigent sector also due to the unavailability of the indigent register.

13.2 Revenue Enhancement

The municipality does not have a revenue enhancement strategy in place however the development of this strategy has been prioritized and it will be developed in the next financial year 2015/2016.

13.2.1 Revenue Recovery Plan

While the municipality does not have in place a revenue enhancement strategy. The municipality has developed a Revenue Recovery Plan with the aim of recovering funds owed to the municipality by consumers. The Recovery Plan also identifies the sale of municipal land to generate income for the municipality. Details of the recovery plan are listed below**:**

Revenue Recovery 2014/2015

No.	**Recovering**	**Status quo as at 31/08/2014**	**Recommendations**	**Responsible Department/Progress to date**
1	Rates and Refuse	Debtors not honouring their payments	Revenue Department to initiate the following after all the residents have been made aware and there is a **Council resolution**	Finance

			• All purchases of prepaid electricity to be coupled to any rates and/or refuse accounts that are in arrears. This means that a purchase of prepaid electricity e.g. R20.00 will be split between R10.00 for electricity and the other R10.00 will be allocated to the overdue customer account that is connected to the property that electricity is being bought for. This step will be taken if the consumer account is in arrears and the allocation will be for refuse first, and then rates. • This step will be taken in terms of Section 102 (1)(b) & (c) of the Municipal Systems Act 32 of 2000	
2.	Rates and Refuse	Sites categorised as Regional Land Affairs on the system while on the valuation roll categorised as Nkandla Municipality	• Corporate/ Technical Services to provide Finance Department with the list of sites numbers which have been transferred to land buyers / who has got the final clearance from the lawyer	Corporate Services Technical Services
3.	Rates and Refuse	Rates debtors not paying because they were promised by the municipality that their debts will be cleared.	• Management to discuss this and come with a Council resolution to implement this/ Bad debt written off	Office of the MM
4.	Rates and Refuse	Debtors not paying because they cannot afford to pay (Indigent	• Community Services to advertise for Nkandla residents to come and apply to be on an Indigent Register and follow	Community Services/ Finance Department

		Debtors)	the relevant steps.	
5.	Sale of Land	People who have been approved to pay for sites not honouring their payments	• Corporate Services together with Planning Department to give Finance a list of sites to be paid for, terms and conditions and amounts to be paid • Finance to write a letter to people informing them of the exact date of payment expectation	Corporate Services Planning Department
6.	Rent	Business Park tenants not paying for electricity	• Technical Services to install prepaid meters for all the 4 tenants since the three phase meters has been installed and not working • Community to inform them that prepaid meters are to be installed • Revised lease agreements to include a clause of what action to be taken in cases of non-payment. To also involve Finance in this process.	Technical Services Community Services
7.	Rent	Rental debtors from SMMEs not honouring their payments	• Municipality through Community Department to adhere debt and credit control policy • From a list obtained in the Revenue department Community to restrict services to enforce payments by locking until payment has been made	Community Services
8.	Rent	Business park customers rent is far below the approved tariffs	• The management(Facilities Manager) should attend to this as soon as possible, or provide the basis of the current agreements and provide a council resolution for the tariffs used for the new lease agreements. E.g Tariff 20142015 that should been R3179 is R1600 on the signed	Community Services

			lease agreement	
9.	Rent	Lease Agreements for staff accommodation occupants	• Corporate Services to issue a Memo to Finance (Payroll) for the correct deductions of all rent due to municipality per month from municipal employees • Revenue department to provide a schedule of the expected payment of employees according to the statements, to payroll through the Human Resources department • Tariffs to be as per approved municipal tariffs, if not provide a council resolution	Corporate Services/ Community Services(Facilities)
10.	Rent	Lease Agreements for companies/ people occupying municipal offices	• Community Services to provide lease agreements to Finance for companies in order for a billing and collection to take place/ give explanation if no billing and collection is required	Community Services (Facilities Manager)
11.	Rent	Lease agreements for Lindela Thusong Centre occupants	• Facilities Manager to submit all lease agreements for Lindela Thusong Centre Occupants with their monthly rates to be deducted for billing to Finance (Revenue)	Community Services
12.	Electricity	Prepaid Meters not installed on all SMME buildings	• Technical Department to Install prepaid meters on all SMME Rooms SMME Phase 1 (12) SMME Phase 2 (8)	Technical Services
13.	Electricity	Convectional meters not installed for properties that belong to the Municipality	Revenue to request Technical Services to install conventional meters to properties that belongs to the Nkandla Municipality.	Technical Services
14.	Electricity	Meters not giving correct readings for some of the	(a) Technical Services department to investigate the meters Technical services to change	Technical Services

		conventional meters (Monthly readings decreasing instead of increasing)	/replace them where necessary	
15.	Interest	Interest to be written off for debtors because there was a time where they were not invoiced when the services for SITA was terminated	• Council resolution to be passed to effect this matter	Office of the Municipal Manager

The municipality acknowledges that revenue enhancement and revenue recovery are both needed to ensure that that municipality remains liquid and is able to provide services and grow and develop the municipal area.

13.3 Consumer Debt Position

Age Analysis Balance			
		2013	2012
Rates, Refuse and Electricity : Ageing			
Current (0 - 30 days)		646 031.00	1 192 382.57
31 - 60 Days		508 566.00	252 248.30
61 - 90 Days		13 570 352.00	11 445 257.00
91 - 120 Days		1 916 857.00	-
Sundry Debtors		700 298.00	701 105.00
Age Analysis Balance		17 342 104.00	13 590 992.87
Less provision for doubtfull debts		-10 031 465.00	-7 748 319.00
Total		**7 310 639.00**	**5 842 673.87**
	2014		
Rates	6 705 468.00		
Electricity	9 788 320.00		
Sundry Debtors	2 517 527.00		
Refuse	3 980 665.00		
	22 991 980.00		
Less provision for doubtfull debts	-12 372 837.00		
	10 619 143.00		

The consumer debt position over the past three years indicates that the consumer debt position has increased and there are a number of reasons for this which includes the following:

- **Out migration**: The municipality is experiencing out migration which implies that those individuals with educational qualifications and skills are moving out of the municipal area to urban centers to access job opportunities. The aged and the unemployed youth

are left behind to live in the municipal area and in most instances these individuals are grant dependent hence paying for municipal services is not a priority.

- **Increase in the cost of living**: Due to rising costs of basic needs individuals are unable to meet their basic requirements from the government grants and this leads to people being unable to pay for their municipal services.
- **There is no culture of Payment**: Currently there is no culture of payment for municipal services by residents of the municipality and this poses a challenge in regards to revenue collection and contributes to the increase in consumer debt.

While the municipality has no official strategy in place to improve consumer debt the municipal council acknowledges that a higher level of service delivery and a better quality of life needs to be offered to residents to encourage residents to live in the municipal space and contribute to its development. An official strategy outlining Reduction in Consumer Debt will be developed in the next financial year 2015/2016.

13.4 Grant Dependency

KZN286 Nkandla - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 27 February 2015

Description	Ref	Budget Year 2014/15							Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		70 359	–	–	(98)	–	(98)	70 261	85 460	85 296
Local Government Equitable Share		65 977			(98)		(98)	65 879	82 543	82 178
Finance Management	3	1 800			–		–	1 800	1 950	2 100
Municipal Systems Improvement		934			–		–	934	967	1 018
EPWP Incentive		1 648			–		–	1 648		
					–		–	–		
					–		–	–		
Other transfers and grants [LGSETA]							–	–		
Provincial Government:		685	–	–	–	–	–	685	723	980
							–	–		
							–	–		
	4						–	–		
							–	–		
Provincialisation and cyber cadet	5	685			–		–	685	723	980
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Total Operating Transfers and Grants	6	71 044	–	–	(98)	–	(98)	70 946	86 183	86 276

13.5 Municipal Borrowings

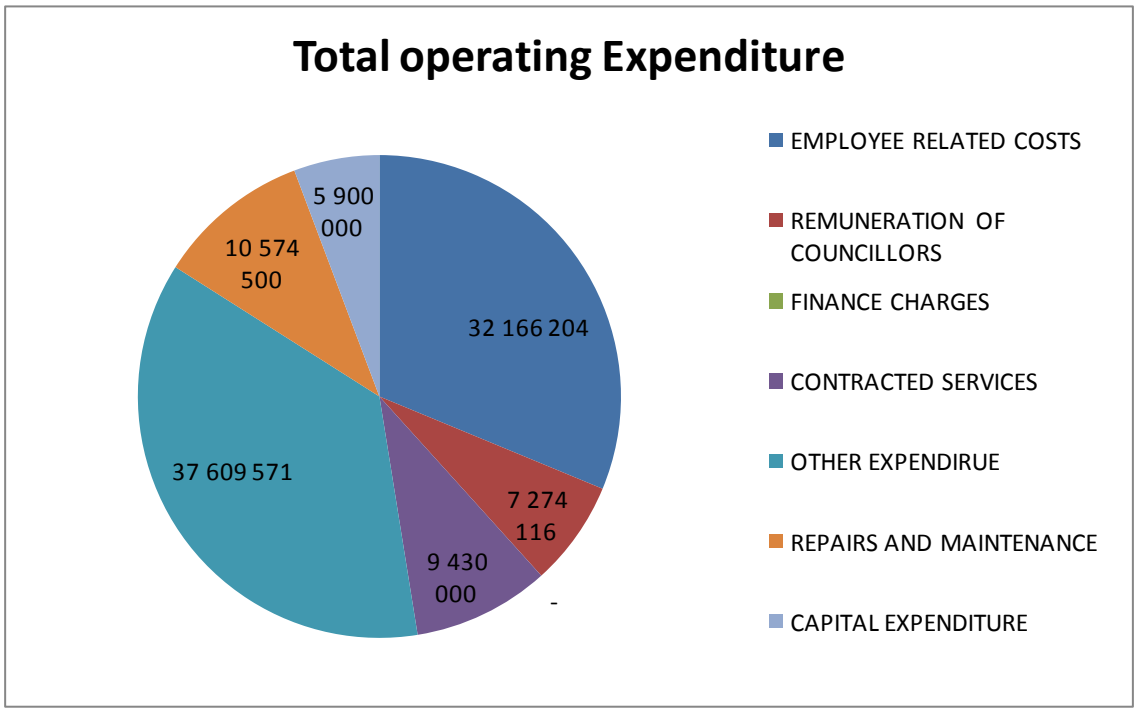
The municipality has not at this stage borrowed money from external sources however 'front loading' is currently taking place with the Development Bank of South Africa.

13.6 Employee Related Costs

The budgeted allocation for employee related costs for the 2014/15 adjustment budget totals R32, 166 million, which equals 38 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.79 per cent for the 2014/15 financial year. An annual increase of 6.40 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).The budget allocation for councillors is 7,274 million.

Transfers and grants were misallocated on the original budget A schedule format this amount is for capital transfers, misallocation is corrected on this adjustment budget B schedule.

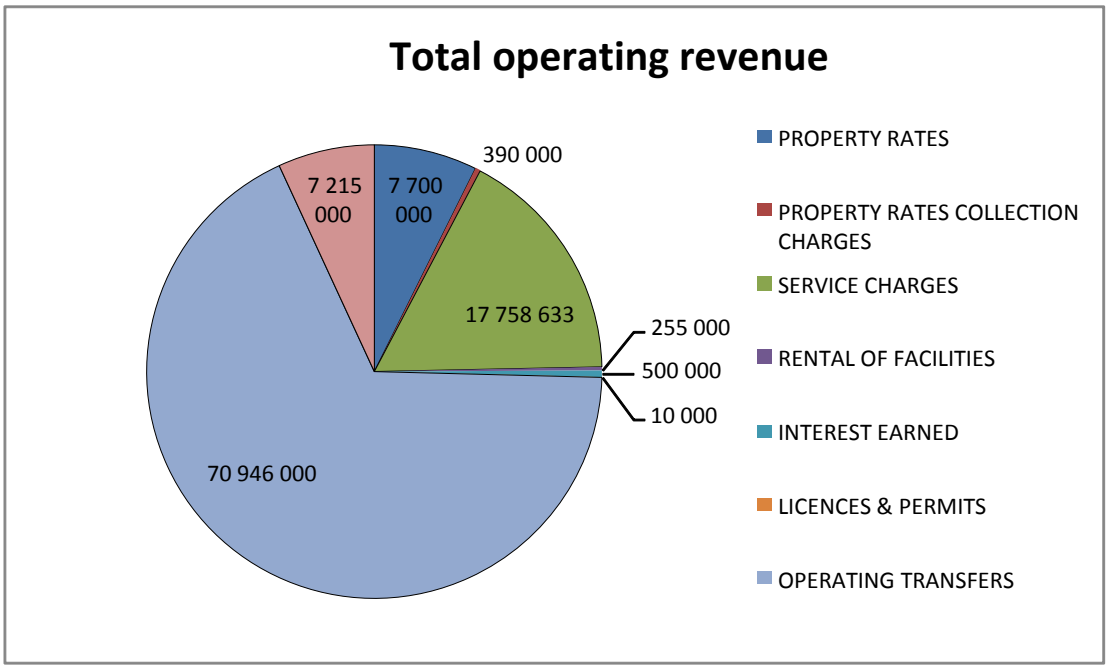


- **BUDGET ANALYSIS**

Total operating revenue has decrease by 0.10 per cent or R110 thousand for the 2014/15 adjustment budget compared to the Original Budget, the municipality has maintained its revenue since the decrease is less than 10 per cent on the adjustment budget bases on the output of mid-year budget and performance assessment. For the two outer years, operational revenue will increase by 19.32and 2.82 per cent respectively.

Total operating expenditure for the adjustment budget has been appropriated at R102.9 million and translated into a budget surplus of R1.8. When compared to the original budget, for the two outer years operation expenditure will increase by 16.4 and 6.4 per cent respectively.

The Capital expenditure of R25.5 million and has grown by 18.70 and 2.75 per cent for each of respective outer years.



13.7 Auditor General Opinion 2013/2014

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

AUDIT OPINION 2011-2012	AUDIT OPINION 2012-2013	AUDIT OPINION 2013-2014
Unqualified with matters.	Unqualified with Matters	Unqualified with matters.

13.8 Financial Policies

- Municipal Property Rates Acts and Tariff Policy
- Credit Control, Debt Collection Policy
- Creditors and Third Parties Payment Policy
- Supply Chain Management Policy
- Indigent Policy
- Human Resources /Payroll/ Subsistence and Travelling Policy
- Asset Management Policy
- Grants in Aid and Indigent Burial Policy
- Budget Implementation and Virement Policy
- Cellphone and Data Contract Policy

13.9 SWOT ANAYSIS

▪ **Strength s**	▪ **Weaknesses**
▪ Full Support by Treasury for capacity building ▪ Recent appointment of the chief financial officer ▪ Majority of staff within the unit falls under youth category ▪ Finance Regulated policies are in place ▪ Steady progress is made on the last three audit opinions ▪ Payments to service & third parties on time ▪ Adopted valuation roll leads to improved billing	▪ Grant dependency ▪ Poor revenue collection ▪ Major portion of land belongs to traditional authorities ▪ High Distribution Losses ▪ Land ownership not registered appropriately affects revenue collection (Billing) ▪ High rate of indigent households negatively affects the revenue collection
▪ **Opportunities**	▪ **Threats**
▪ Vacant land available for revenue generation ▪ Minimal utilization of consultants with conditions in Service Level Agreement of skills transfer and strict monitoring. ▪ Potential sources of revenue that have not been explored ▪ Potential Revenue on Electrical services ▪ Establishment of Traffic Unit for Safety and Revenue Enhancement	▪ Lack of transfer of skills by consultants ▪ Municipal land ownership is minimal (2% of 1828km) ▪ Dependency on financial system ▪ Reduction in population figures may results to a decrease in the budget allocation

14. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

14.0 Introduction

In terms of good governance the municipality is complying with regulated ways for good governance including efficient and effective oversight. The municipality has engaged in a number of trainings and workshops to make sure that the KPA of good governance is of a high importance. The training of different portfolios including MPAC is evident to the commitment of good governance and oversight. The strategic planning sessions for the municipality shows the commitment of the institution with regard to good governance. The oversight and support role given by the KZN Department of Corporative Governance Traditional Affairs (KZN COGTA), Provincial Treasury, Auditor General's office is worth to be articulated in producing this IDP. All internal and external oversight committees are functional. In addition to that the council has adopted a communication strategy to guide the council on communication matters. The analysis is as follows:

14.1 National & Provincial Programmes

- **Operation Sukuma Sakhe and Other Role Players**

Nkandla Municipality work hand in hand with Office of the Premier and other government departments in the implementation of Operation Sukuma Sakhe (OSS) where all stakeholders sit in the Nkandla LTT Monthly meetings aiming to fast-track service delivery to the community and addressing all social ills i.e. HIV/AIDS, TB etc.

Sometimes LTT sit as a joint meeting with IDP committee, Local AIDS Committee where all government departments and NGOs are actively involved. Actual LTT meetings and coordination of Sukuma Sakhe are trying to implement the IDP. Consultative meetings have been held and communication channels are open from municipality and ward committees.

The War rooms sit in all municipal wards & are actively involved in the implementation of IDP, as all stakeholders at ward levels are involved i.e. civil society, Government department and the entire community sit together discussing community needs and provide services.

In 2015 March Nkandla municipality was doing OSS operation MBOs in all wards to fast- track services delivery in preparation for Cabinet OSS Day.

14.2 Intergovernmental Relations

Intergovernmental Relations Act No. 13 of 2005 stipulates the importance of communication between the Municipalities and other spheres of Government (Provincial and National). This enhances the service delivery to the Public because there is one common goal to ensure provision of services to the Public. Communication amongst the different spheres of

Government in South Africa must be understood against the backdrop of our Intergovernmental system. South Africa has three spheres of Government- National, Provincial and Local-which are distinctive, interdependent and interrelated.

Progressive intergovernmental system had to be balanced with other prescripts that had to ensure consistency of policies and governing styles- and that the South African state was pulling in the same direction. The notion of cooperative government was born within this context. Organs of state shall comply with good governance norms. As a result the Constitution grants National and Provincial government oversight over local government. Provincial Government in particular is charged with capacitating, monitoring and in cases of serious maladministration, intervening in local government.

14.2.1 Communication with the District Municipality

Through the recognized structures Nkandla Municipality shall from time to time liaise with the UThungulu District Municipality. UThungulu District Municipality is Nkandla Municipality's district Municipality certain issues on development must be communicated to the District. UThungulu District shall give support to the Nkandla Municipality. Nkandla Municipality shall form Local Communicator's Forum (LCF) that will communicate with the District Communicator's Forum (DCF).

The DCF shall communicate with Provincial Communicator's Forum that report and communicate information to the Government Communication and Information Systems (GCIS). The GCIS should coordinate the DCF with assistance from Department, South African Local Government Association and Government Communication and Information Systems. The DCF should be attended by the Head of Communication within Local Municipalities. The DCF should be used for information sharing and ironing out communication problems at a district level.

14.2.2 Communication with National and Provincial Government

Nkandla Municipality is obliged to communicate with National and Provincial Government about the core development policies and plans. The most important of these are the:

- Integrated Development Plan (IDP)
- The Budget
- Annual Financial Statements
- Performance Management System

The Nkandla Municipality is supposed to establish a process of regular reporting to appropriate organs of state. The Nkandla Municipality shall prepare an annual report for each financial year, which consists of:

- A performance report
- Financial statements in line with the Public Finance Management Act No1 of 1998
- An annual Audit on the financial statements and the Auditor-General's report.

14.2.3 Public Participation

Nkandla municipality has developed a unit dealing with public participation matters; this department is supported and monitored by COGTA. A need was identified and a unit was established. This unit is meant to address all function related to Public Participation and Stakeholders management. Amongst other functions of this unit is to come up with a comprehensive methods of fully utilizing the functions of ward committees. Municipal Public Participation policy has been developed together with an operational plan. A Public Participation Plan was developed to visits various was to monitor the state of development and services required in Nkandla Municipalities wards. A schedule of service delivery backlogs was collated after the completion of a consultative process. This schedule is composed of all services needed by citizens of Nkandla in almost all service providers and sector departments.

14.2.4 Summary of Communication Strategy

The objective of the communication strategy is to strengthen the communication channels between the municipality, the community and other stakeholders. The major focus area for the communication strategy is as follows.

- Outlining and enhancing communication channels.
- Transparency in the internal and external communication.
- On-going maintenance of Municipal website and accessibility.
- Promoting a more interactive local government.
- Cascading of information to the Public.
- Identifying relevant Medium of Communication to reach the target audience.
- Participation in IGR structures in order to promote Municipal overall development.

14.2.5 Communication Task Team

The Communication Task Team will be established to communicate issues which involve strategic activities of the municipality and planning in order to maximize Public Participation. The Communication Task Team shall be a Communication tool that links the Public and the Municipality as a whole. The duties of the Communication Task Team will be unfolded on regular meetings that will be held for easy understanding. The Communication Task Team shall be constituted by four Administration Staff and members of the community. The primary focus of the strategy is to ensure efficiency and effectiveness of the Municipal communication tools.

14.3 Municipal Structures

- **Council Portfolios**

The portfolio committees are established in terms of section 33 of the Municipal Structures Act and are aligned with areas of functionality of each municipality as stated by the Act. The elementary reason for Portfolio committees to be established is to support the council to achieve its development strategy. The committees are formed in line with the municipal internal departments. Portfolio Committees are arranged to enable the council to be equipped to fulfil the requirements determined by the needs and priorities of the Municipality as a whole and to provide political oversight of the municipality's departmental administration. The following portfolios exist:

- Finance Portfolio Committee
- Technical Portfolio Committee
- Community Services Portfolio Committee
- Corporate Services Portfolio Committee

❖ **List of existing and functional committees**

1. Performance Audit Committee

2. Municipal Public Accounts Committee

3. Executive Committee

4. Portfolio Committees

5. Management Committee

6. Bid Committees

- Specification Committee
- Evaluation Committee
- Adjudication Committee

❖ **Ward Committees**

Ward Committees are functional in all wards and COGTA is giving full support on the establishment and operations of Ward Committee. Monthly meetings are held and reports are forwarded to the responsible official. Monthly stipend is paid on monthly basis and attachments are made thereof as proof of evidence. Ward Committee Functional Plan has been adopted and it is implemented by the municipality. Most of municipal regulated reports are presented to them and participation is satisfactory.

- **IDP Steering Committee**

The committee is composed by management committee as a whole. It is a join committee of IDP and Budget, this committee seats as per timeframes schedules presented on the process plan. Further to this committee there are other supporting committees namely; IDP Forum formed by sector department and District IDP /Planners Forum. All these committees they seat to make sure that adequate review is made on the IDP and other matters that are relevant to these committee for discussions and recommendations.

14.4 Performance Audit Committee

This is a joint committee which combines functions of Auditing and Performance Management. The committee is functional and it seats on scheduled dates to monitor the operations of the municipality. Compliance matters and regulated reports are handling by this committee.

14.5 Status of Municipal Policies

Policy	Status
Leave Policy	✓
Recruitment Selection & Retention Policy	✓
Vehicle Usage Policy	✓
IT Internet & Security Policy	✓
IT Governance and Framework	✓
Municipal Property Rates Policy	✓
Credit Control Policy	✓
Supply Chain Management Policy	✓
Subsistence & Travelling Policy	✓

- ✓ *Means the policy is reviewed & updated*
- *Means the policy is not reviewed and update is due*

14.6 Municipal Risk Management

Risk management, a Corporate Governance imperative, is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of the municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the municipality. It also focuses on reducing materialized risks to acceptable levels. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

In order to enhance risk management processes to ensure a truly integrated and enterprise-wide approach, the City has approved and is in the process of reviewing an Enterprise Risk Management Policy and Strategy, which when applied, will ensure:

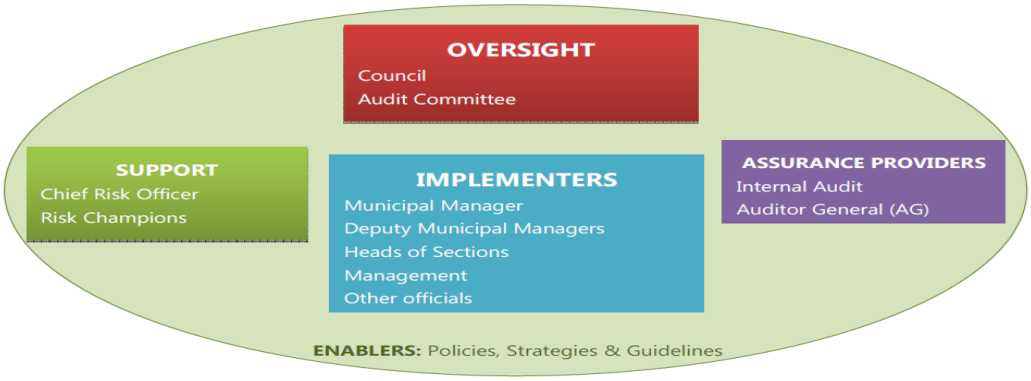
- more sustainable and reliable delivery of services
- informed decisions underpinned by appropriate rigour and analysis
- innovation
- reduced waste
- prevention of fraud and corruption
- better value for money through more efficient use of resources
- better outputs and outcomes through improved project and programme management
- pursuing institutional objectives through transparent identification and management of risk
- prioritizing risk management activities
- enhancing risk response decisions
- reducing operational losses and surprises
- seizing opportunities
- increasing the probability of achieving organizational objectives; and
- identifying and planning for any other negative events which may confront the municipality.

Enterprise Risk Management involves:

- Objective setting
- Risk Identification
- Risk Assessment
- Risk Response
- Communication and reporting
- Monitoring and review

The municipality has in place the Risk Management Committee reporting to Council as oversight. The PMS Manager Co-ordinates risk management activities. Risk Champions in each department report to Management on risk management matters. Continuous training and awareness is an important part of the process affected to ensure that risk management is understood, embraced and integrated into the organizational culture- filtering from Top Management to all levels of staff. Risk Assessments are conducted, reviewed and updated annually and on a continuous basis- and are carried out on both a strategic and operational level to ensure a thorough approach. The Municipal Manager is the ultimate Chief Risk Officer and is responsible for championing risk management and ensuring that its activities are monitored in terms of performance management throughout the organization.

Overall, the role players in Risk Management are as follows



14.7 Municipal Bylaws

It is a compliance requirement in terms of Section 6 of the MPRA and Section 14 Promulgation of resolutions levying rates that approved Property Rates bylaws and approved municipal tariffs must be gazetted for each financial year.

The Approved tariffs and The Property Rate Act has been submitted to Government Printing works to be gazetted. Different Municipal Bylaws have been translated to IsiZulu and due to financial constraints the Municipality cannot afford to submit the all bylaws to be gazetted. This process will be budgeted for the next financial year

14.8 IDP Process Plan

The Integrated Development Plan is a process through which municipalities prepare strategies and mechanisms on development aspects for that particular municipal boundary for a certain term. In that period municipalities are expected to review these strategies on annual basis. The process plan aims to review these strategies and introduce new strategies that the council prioritized for the current term and beyond, within the process plan there should be plans that the municipality is outlining in answering the question of how the IDP is going to be reviewed in that particular year. Below is a summary of a plan on how the current IDP 2014/15 was developed. Key scheduled dates were developed and compliance thereto was made:

DATE	IDP/BUDGET/ PMS	RESPONSIBLE UNIT
Quarter 1		
July	Closing Of Financial Accounts	Budget & Treasurer
July	Submission Of IDP's To Cogta	Office Of The MM
July	Submission Of Sec 71 Report	Budget & Treasurer
July	Submission Of Process Plans	Office Of The MM
July	Distribution Of Approved SDBIP & IDP	Office Of The MM
Aug	Publication Of Service Delivery & Budget Implementation Plan	Office Of The MM

Aug	Submission Of Sec 71 Report	Budget & Treasurer
Aug	Publication Of Annual Performance Agreements	Office Of The MM
Aug	Placement Of Performance Agreements On Municipal Websites	Budget & Treasurer
Aug	Table In Council Budget & IDP Time Schedules	Budget & Treasurer & Office Of The MM
Aug	Advertisement Of Budget & IDP Time Schedules	Finance
Aug	Submission Of AFS & AR	Budget & Treasurer & Office Of The MM
Sept	Submission Of Sec 71 Report	Budget & Treasurer
Sept	Monthly Reports & Contracts Awarded	Budget & Treasurer
Sept	District Stakeholders Alignment	Office Of The MM
Sept	Implementation Of IDP / Budget Key Dates For Next Three Years	Budget & Treasurer & Office Of The MM
Sept	Ward Committee Consultation Starts	Office Of The MM
Quarter 2		
Oct	Section 71 Reports	Budget & Treasurer
Oct	Ward Committee Consultation In Progress	Office Of The MM
Oct	Submit Monthly Reports On Salaries To Council	Budget & Treasurer
Oct	Review Implementation Of Budget, Service Delivery & Service Delivery Plan	Budget & Treasurer
Oct	Submit Report To Council & Make Public Any Amendment To The SDBIP	Office Of The MM
Nov	Monthly Reports	Office Of The MM
Nov	Salaries & Wages Report To Council	Budget & Treasurer
Nov	Contracts Awarded Report To Council	Budget & Treasurer
Nov	1st IDP Stakeholders Forum	Office Of The MM
Nov	Final Month For Ward Committees Consultation	Office Of The MM
Dec	Monthly Reports	Budget & Treasurer
Dec	COGTA's IDP Indaba	Office Of The MM
Dec	Salaries Expenditure To Council	Budget & Treasurer
Dec	Audit Report, Action Plan	Budget & Treasurer
Quarter 3		
Jan	Quarterly Reports	Office Of The MM
Jan	Report On Salaries To Council	Budget & Treasurer
Jan	Budget Review	MANCO
Jan	Table In Council Impact Of Adjustments In Budget To Council	Budget & Treasurer
Jan	Submit Adjusted Budget To Province	Budget & Treasurer
Jan	Finalize Annual Performance Report	Office Of The MM
Jan	Table In Council Annual Report	Office of the MM
Jan	Finalise Budget Policies & Tariffs Policies	Budget & Treasurer

Jan	Report To Council Auditors Report	Office Of The MM
Feb	Monthly Report	Budget & Treasurer
Feb	Received Proposed Budget From The Directors	Budget & Treasurer
Feb	COGTA's IDP Requirement Meeting	Office Of The MM
Feb	Incorporation Of National/ Provincial Funding To The Budget	Budget & Treasurer
Feb	2nd IDP Stakeholders Meeting	Office Of The MM
Feb	Finalise The Audit Action Plan	Budget & Treasurer
Mar	Notification Of Transfers	Budget & Treasurer
Mar	Monthly Reports	Office of the MM
Mar	Tariffs Hike Indicators From Stakeholders	Budget & Treasurer
Mar	Final Inputs Of The Draft Budget From The HOD's	Budget & Treasurer
March	Tabling Of Drafts IDP & Budge in Council	Budget & Treasurer
Mar	Submission Of IDP To COGTS	Office Of The MM
Quarter 4		
Apr	Monthly Reports	Budget & Treasurer
Apr	Advert For Comments On Drafts IDP's & Budget	Budget & Treasurer
Apr	Consolidate Comments On The IDP	Office Of The MM
Apr	Development Of Events Proposals Youth, IDP, Budget.	Finance & Office Of The MM
May	Monthly Reports	Office Of The MM
May	Final Adoption Of The Budget & IDP	Office Of The MM
June	Monthly Reports	Finance
June	Submission Of The Budget& IDP To relevant Stakeholders	Office Of The MM & Finance
June	Staging Of Events For Public Awareness On IDP, Budget And Youth	Finance & Office Of The Mm

14.8 Concerns of the Auditor General

There were no concerns relating to Good Governance and Public Participation raised by the Auditor General in the financial year 2014/2015.

14.9 SWOT Analysis Good Governance

Strengths	**Weaknesses**
❖ Municipal core policies are in place ❖ Effective Public Participation Programme ❖ Functional council committees ❖ Political Stability leads to efficient adoption of regulated documents	❖ Trainings on Proper Political oversight may lead to the function not being performed properly ❖ Weakness in systems documentation
Opportunities	**Threats**

❖ Facilitation of Adult Education with DOE ❖ Democratic Representation in council for all parties.	❖ High illiterate rate leads to poor understanding of basic municipal functions ❖ Low Levels of education may lead to riots.

15. EXTERNALLY FUNDED PROJECTS

15.0 Introduction

This section looks at all projects that are funded by various Sector Departments.

15.1 Human Settlement Projects

Nkandla housing Sector Plan was adopted in 2006 and it is currently under review and due to be adopted in June 2015.

IDENTIFIED/ PROPOSED PROJECTS:

The following Projects have been identified for planning and implementation:

Project Name	Traditional Authority	Proposed Number of units
PRIOTITY 1: 2015 – 2020		
Sibisi Rural Housing Project	Sibisi Traditional Authority	1200
Izindlozi Rural Housing Project	Izindlozi Traditional Authority	1000
Khabela Rural Housing Project	Khabela Traditional Authority	1500
Zuma Rural Housing Project	Zuma Traditional Authority	1000
Godide Phase 2 Rural Housing Project	Godide Phase 2Traditional Authority	1000
PRIORITY 2: 2017 – 2022		
Machunwini Phase 2 Rural Housing Project	Machunwini Traditional Authority	500
Magwaza Rural Housing Project	Magwaza Traditional Authority	1000
Mangidini Rural Housing Project	Mangidini Traditional Authority	1000
Mpungose North Rural Housing Project	Mpungose Traditional Authority	1200
Ntuli Phase 2 Rural Housing Project (Ngono)	Ntuli Traditional Authority	
PRIORITY 3: 2019 -2024		
Chube Phase 2 Rural Housing Project	Chube Traditional Authority	1200
Ekukhanyeni Phase 2 Rural Housing Project	Ekukhanyeni Traditional Authority	1000
Godide Phase 3 Rural Housing Project	Godide Traditional Authority	1000

15.2 Department of Transport Projects

The following projects are prioritised by the Department of Transport.

Municipality	Programme	Project No.	Activities	2014/2015	2015/2016	2016/2017
Nkandla Municipality	**LIGHT REHAB 15/16**	D1599	Overlay		4,237,008	
	LIGHT REHAB 16/17	P15-2	Overlay			1,014,600
	OK	P90	UPGRADE	0	11,000,000	15,000,000
	OK VEHICLE BRIDGE	0559 P50-3 GOSWENI RIVER BRIDGE (AT KM 13.60)	VEHICLE BRIDGE	0		8,100,000
		1254 P90 NSUZE RIVER BRIDGE - LENGTHENING	VEHICLE BRIDGE	2,625,000	2,488,656	
		3289 TULWANA TUGELA RIVER BRIDGE	VEHICLE BRIDGE AND ACCESS ROAD	11,550,000	27,000,000	8,000,000
		3530 P706 NSUZE RIVER BRIDGE (KM 5.44)	VEHICLE BRIDGE	15,000,000	15,000,000	3,715,513
		3532 P223 MHLATUZE RIVER BRIDGE (AT KM 3.16)	VEHICLE BRIDGE	0		3,600,000
		3540 D2309 NSUZE RIVER BRIDGE	VEHICLE BRIDGE	2,000,000	1,543,188	
	PED BRIDGE	MANZAMNYAMA RIVER PEDESTRIAN BRIDGE	PEDESTRIAN BRIDGE	0		2,400,000
	RESEAL 14/15	D1599	Reseal	2,601,000		
		P15-2	Reseal	4,539,000		
	RESEAL 15/16	P15-2	Reseal		3,682,200	
	RESEAL 16/17	P50-2	Reseal			11,866,000
Nkandla Municipality Total				**38,315,000**	**64,951,052**	**53,696,113**

COMBINED SWOT ANALYSIS

This diagnoses aims to achieve SWOT analysis of all KPA's for Nkandla Municipality. An assessment of the entity was done thoroughly, below is a reflection of the state of affairs for the municipality. A preferred analysis of examining the state of development in a municipality is to conduct SWOT in all Key Performance Areas:

Strengths

- Development of the disaster management plan
- Workplace training
- Presents of related policies
- All critical posts filled
- Youthful population
- Availability of historic sites & conservation areas
- Good relationship with the Amakhosi in the municipal area
- Large tracts of arable land
- Scenic Landscapes
- Two natural Forests
- Full Support by Treasury for capacity building
- Recent appointment of the chief financial officer
- Majority of staff within the unit falls under youth category
- Finance Regulated policies are in place
- Steady progress is made on the last three audit opinions
- Payments to service & third parties on time
- Adopted valuation roll leads to improved billing
- Municipal core policies are in place
- Effective Public Participation Programme
- Functional council committees
- Political Stability leads to efficient adoption of regulated documents

Weaknesses

- Do not have a specialized environment personnel
- Do not have ICT policy framework
- Lack of enforcement of municipal by Laws
- Lack of skills transfer by consultants and capacitated employees
- High indigent population
- High Unemployment rate
- High infection rate on communicable diseases
- High Illiterate rate
- Unavailability of local constructors with high capacity
- Reduction in Population
- Matshenezimpisi Nature Reserve is poorly maintained
- Grant dependency
- Poor revenue collection
- Major portion of land belongs to traditional authorities
- High Distribution Losses
- Land ownership not registered appropriately affects revenue collection (Billing)
- High rate of indigent households negatively affects the revenue collection
- Trainings on Proper Political oversight may lead to the function not being performed properly
- Weakness in systems documentation

OPPORTUNITIES

- Provincial Support on relevant grants
- Employment of youth results in a sustainable human resource
- Land within the municipal jurisdiction is highly arable
- Tourism is a major economic development opportunity

- Use Natural forests to generate tourism economic activities
- Vacant land available for revenue generation
- Minimal utilization of consultants with conditions in Service Level Agreement of skills transfer and strict monitoring.
- Potential sources of revenue that have not been explored
- Potential Revenue on Electrical services
- Establishment of Traffic Unit for Safety and Revenue Enhancement
- Facilitation of Adult Education with DOE
- Democratic Representation in council for all parties.

THREATS

- The rural nature of the municipality may result in the loose of well capacitated and capable employees
- Should the grants be terminated the municipality may suffer on the grants supported systems
- Reduction in recent population figures
- Lack of circulation of economic resources locally
- Unreview LED Strategy
- Poor accessibility to the Municipal Area
- Unavailability of commercial activities to support growth and development
- Lack of transfer of skills by consultants
- Municipal land ownership is minimal (2% of 1828km)
- Dependency on financial system
- Reduction in population figures may results to a decrease in the budget allocation
- High illiterate rate leads to poor understanding of basic municipal functions
- Low Levels of education may lead to riots.

16. SECTION D: VISION, STRATEGIES, GOALS & OBJECTIVES

16.1 Vision

The vision of the municipality was developed in 2011 soon after council inauguration. The vision should determine the long term plans of the municipality and it should contains strategic direction of the institution. This can be summarized in few words or it should be stated in a detailed statement. In most organization a vision can never be reached, it shifts from time to time. Nkandla municipality in its strategic plan resolves that the following statement be regarded as its vision:

To be a high performing rural municipality driven by continuous improvement of quality of lives for Nkandla citizens

16.2 Mission

Mission in simplest terms can be regarded as what an institution will do to achieve its vision, this statement should answer the how part in questions that may arise from its vision. The mission statement give answers to the questions in the vision but not everything can be answered in a mission statement. Detailed information on how to drive the undertaking towards its vision can be defined in the implementation plan.

Nkandla Municipality renders effective service delivery encompassing nature and heritage to ensure poverty alleviation, sustainable economic growth and development

16.3 STRATEGIC OBJECTIVES

The strategic objectives of Nkandla municipality are linked and developed to the KwaZulu Natal Key Performance Areas. This was used as a guideline, comparison to the situational analysis of the area was considered. Six strategic objectives are as follows:

NATIONAL KPA : GOOD GOVERNANCE AND COMMUNITY PARTICIPATION GOAL 1 : GOOD GOVERNANCE			
STRATEGIC OBJECTIVES	**STRATEGIES**	**REF**	**KEY PERFOMANCE INDICATORS**
Decrease municipal risk through risk management	Develop/revision of Risk management plan		Approved risk management plan
To ensure efficient and effective internal and external communication	Hold quarterly IGR forums		Number of Sakume Sakhe war rooms established
	To participate in Municipal-wide health structures		Number of reports to standing committee
To promote a safe and healthy environment for the Nkandla	Establishment of functional ward committees		Number of ward committees established
			Number of ward committee meetings held
	effective functioning of Municipal HIV/AIDS council		Number of meetings held and community awareness events held
	Develop/review HIV/AIDS Strategy/plan		Approved HIV/AIDS Strategy/plan
	Regular sampling of food stuffs		Number of food stuffs sampled
	Physically challenged		community awareness events held
	Sports and youth		community awareness events held
	Gender issues		community awareness events held
	Senior citizen programmes		community awareness events held
	Inspection of food premises		Number of premises inspected
	Surveillance and prevention of communable diseases		community awareness events held
Attain effective and efficient municipal administration	Develop/review Audit Plan		Adopted Audit Plan
	Hold quarterly Audit Committee meetings		Number of Audit Committee meetings held
NATIONAL KPA : MUNICIPAL TRANSFOMATION AND INSTITUTIONAL DEVELOPMENT GOAL 2: INSTITUTIONAL DEVELOPMENT			
To improve service delivery and the image of the municipality	filling of vacant positions as per the revised organogram		No. of critical posts filled

	Filling of identified critical posts		No. of critical posts filled
Organizational skills development and capacity building	Development of a training program		Developed training program
	Skills development plan adopted		Adopted skills development plan
	Implementation of Skills Development Plan		% of budget spent on implementation of WSP
Strengthen and improve employment equity in the municipality	Employment equity plan adopted and implementation		No. of people form employment equity target groups employed in the three highest levels of management in compliance with approved equity plan
	Implementation of Employment equity plan		% of women appointed in S54/56 posts
Attain effective and efficient municipal administration	Develop and adopt I.T. Governance Framework		Developed & adopted I.T. Security Policy
	Administer council portfolio committee meetings		Number of portfolio committee meetings
	Administer Executive committee meetings		Number of Executive committee meetings held
	Administer council meetings		Number of council meetings held
	Develop/review PMS policy framework		PMS Framework/Policy reviewed and adopted
	Submit quarterly performance reports to Internal audit		Number of PMS reports submitted
	Hold quarterly Performance Audit Committee meetings		Number of PAC meetings
	Submission of annual report to AG		Annual report submitted
	Develop/review communication framework/strategy		Adopted communication framework/strategy
NATIONAL KPA : LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT GOAL 3:SOCIAL AND ECONOMIC DEVELOPMENT			
To improve the quality of life through social infrastructure development	contract Management		Number of resolutions/projects

To create a conducive environment for socio - economic growth	Establish a LED Forum		Established LED Forum
	Establish a Tourism Forum		Established Tourism Forum
	To ensure the functionality of LED Forum		Number of meetings
	To ensure the functionality of Tourism Forum		Number of meetings
	Develop/review LED Strategy		Adopted LED strategy
	Implement LED Strategy		Number of SMME's supported
	Job creation through LED projects		Number of projects
	Create Number of jobs		Number of Jobs created
	Develop/review LED Strategy		Adopted LED strategy
	Implement Tourism Strategy		Number of projects
			Established agency
NATIONAL KPA : BASIC SERVICE AND INFRASTRUCTURE DEVELOPMENT GOAL 4: SUSTANABLE INFRASTRUCTURE AND SERVICE DELIVERY			
To improve quality of life through social infrastructure development	Update indigent register		Approved Indigent Register
	Provide free basic services to all indigent households		Number of existing households with access to free basic services in terms of the indigent register
	Effective expenditure of infrastructure grants (100%)		% of Infrastructure Grants spend
	Effective expenditure of infrastructure grants (100%)		% of Infrastructure Grants spend
	Develop Municipality Basic infrastructure		Reviewed and adopted master plan
	development programme		Reviewed and adopted master plan
	Through monitoring of implementation of the RRUP		Operations and maintenance Plan
			Number of Km completed
	Awareness campaigns		Number of communities covered

	Through the development and implementation of an infrastructure refurbishment plan		Completed/approved infrastructure refurbishment plan
			Developed business plan
	Through the sourcing of funding to implement the infrastructure refurbishment		Amount of funding sourced
NATIONAL KPA :FINANCIAL VIABILITY AND MANAGEMENT GOAL 5:SOUND FINANCIAL MANAGEMENT			
1.Advance and maintain the financial viability of the municipality	Through enhancing revenue collection Improve debt management		Percentage of annual collectors rate/debt coverage (reg 10(g)(i))
	Maintain acceptable norm of municipal liquidity management		Ratio of cash/cost coverage of monthly fixed operating commitments (reg 10(g)(iii))
	Raise the amount of invoices billed to customers		Amount value of invoices billed
To improve institutional efficiency through adequate systems and effective internal controls	To decrease wasteful expenditure		Amount of irregular, fruitless and wasteful expenditure
	Develop/update fraud prevention plan		Approved fraud prevention plan
	Minimise service delivery distribution losses		Percentage loss of potential revenue of services delivered
	Develop/update SCM Policy		Approved SCM Policy
	Develop/update Investment Policy		Approved Investment Policy
	Develop/update Budget Policy		Approved budget policy
	Develop/update Indigent Policy		Approved Indigent Policy
	Risk assessment development/review		Adopted Risk Assessment
Improve the financial performance of the municipality	Increase/maximise the budget amount spent in the municipality		Percentage of total municipal budget spent

Optimize budget implementation in the municipality	Increase/maximise the capital budget amount spent in the municipality (asset management		Percentage of total municipal budget spent
NATIONAL KPA: CROSS CUTTING INTERVENTIONS GOAL 6 : ENVIRONMENTAL DEVELOPMENT AND MANAGEMENT			
To promote a safe and healthy environment for Nkandla community	To establish a functional Disaster Management Centre		Reviewed management plan
			Established disaster management Centre
	To swiftly respond to incidents of disaster		Percentage/number disaster equipment procured
			Number of staff recruited
	To ensure the functionality of the Disaster Management Advisory Forum		Number of meetings convened within 24hrs after the disaster
	To capture all infrastructure on GIS		Percentage infrastructure captured
			Percentage infrastructure captured
			Number of identified Environmental Management
	Implementation of the Environment Management Framework		Plans/programmes implemented

17. SECTION E: STRATEGIC MAPPING & IMPLEMENTATIONPLAN

17.1 Strategic Development Mapping

Economic Development Nodes

The maps presented below are the strategic development maps that the municipality plans to develop in the near future. These maps include the nodal points that need to be unlocked for the development to take place in Nkandla as whole. The municipality is looking for relevant stakeholders that may come in, to assist in fast tracking the development priorities as presented to the following Nkandla Town is the only urban node within the municipality serves a vital function to communities within the entire municipal area and the structured planning and compaction of the town on limited land resources is important for continued growth and functioning. The developments plans differ from nodes to nodes. Other maps will be contained within the Spatial Development Framework on annexure section. Plans are in place to rehabilitate the town including interventions by the provincial department and the district to beautify the town and demolish/remove illegal structures in partnership with the Uthungulu District Municipality.

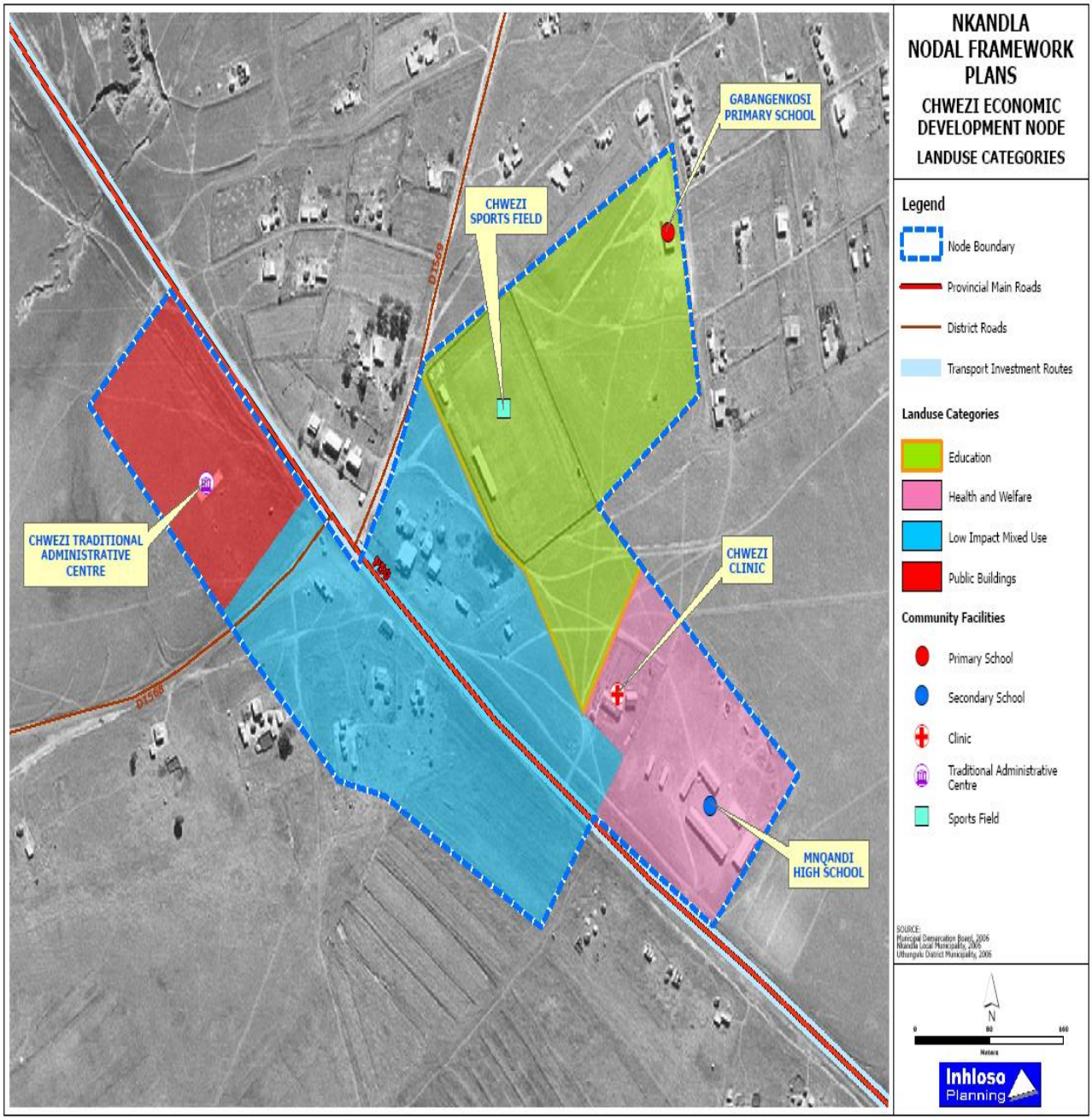
In terms of the functions assigned to a Main Economic Development / Services Node, Nkandla will have to:

- Serve as municipal administrative centre;
- Provide services and opportunities to higher density settled areas such as Machubeni, Ndweni, Mqubeni, Madiyani, Mjahweni, Emaromeni and Ngwegweni;
- Contain residential accommodation, financial services, health services, communication facilities and SMME facilities;
- Serve as a transportation node, specifically geared towards passenger services; and
- Serve as the locality for the establishment of infrastructure such as sports facilities, cemeteries, landfill sites, and so forth.

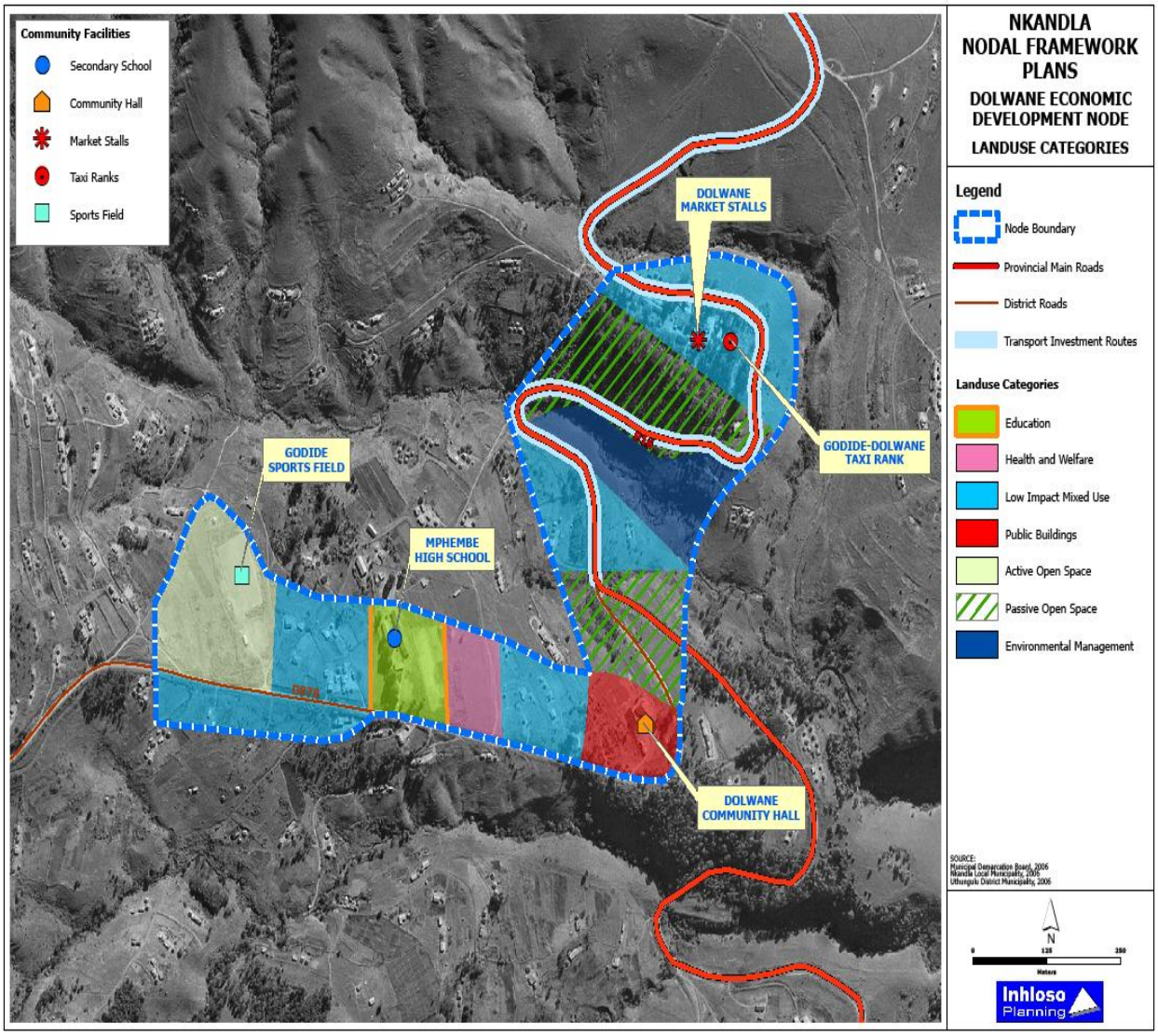
❖ **Primary Node Development Plan**

❖ **Nkandla Urban Edge**

❖ **Chwezi Node**

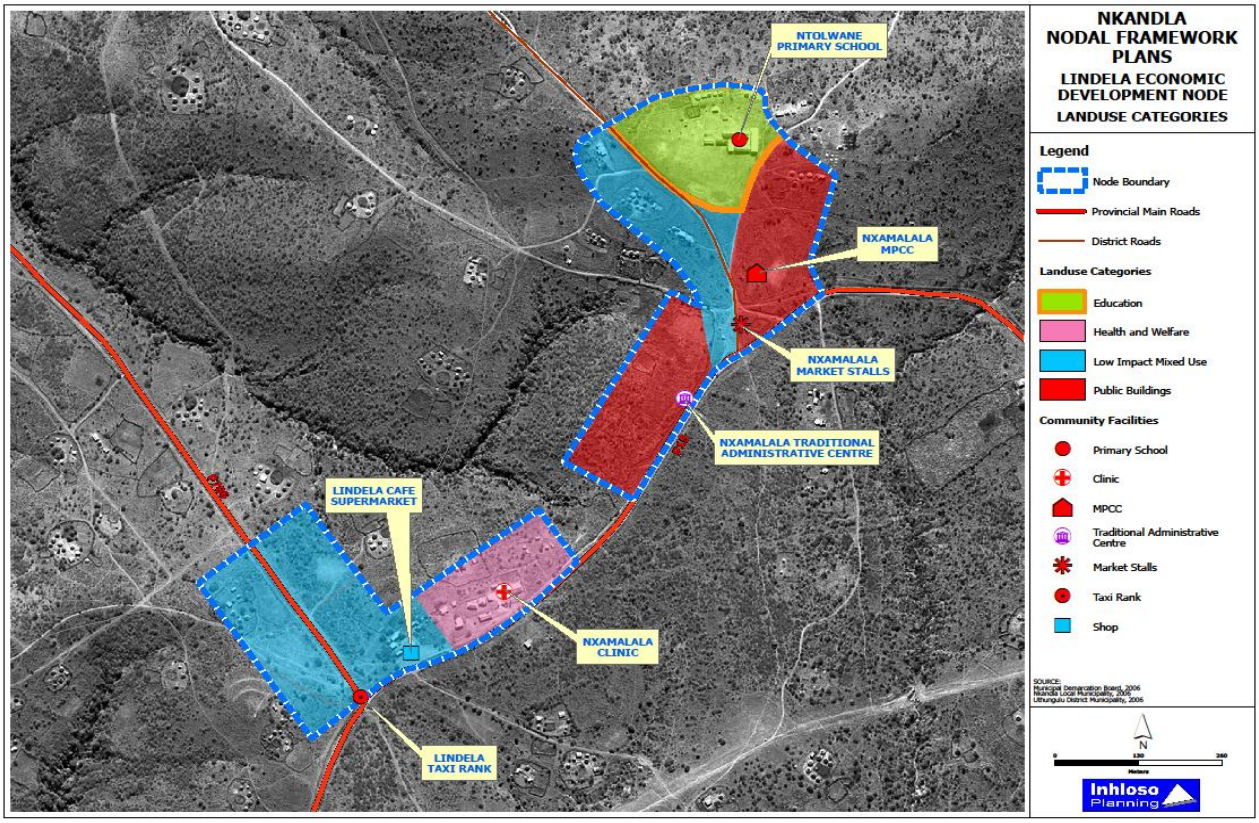

NKANDLA
NODAL FRAMEWORK
PLANS
CHWEZI ECONOMIC
DEVELOPMENT NODE
LANDUSE CATEGORIES
Legend
Node Boundary
Provincial Main Roads
District Roads
Transport Investment Routes
Landuse Categories
Education
Health and Welfare
Low Impact Mixed Use
Public Buildings
Community Facilities
Primary School
Secondary School
Clinic
Traditional Administrative Centre
Sports Field
GABANGENKOSI PRIMARY SCHOOL
CHWEZI SPORTS FIELD
CHWEZI TRADITIONAL ADMINISTRATIVE CENTRE
CHWEZI CLINIC
MNQANDI HIGH SCHOOL
D1508
N
Inhlosa Planning

❖ **Dlolwane Node**



Dlolwane is centrally located in the western sub-region of the municipal area just to the west of the P16-2 Road where the P16-2 and the P90 tourism route join. The Dolwane Economic Development node is situated at an important junction between Jameson's Drift, Esihosheni, Maphutini and Qhudeni Nodes. As is evident from the Water Services Plan, the node and surrounding areas, is well serviced with water. However, electricity provision is only evident to some existing land uses in the node with high backlogs in electricity provision in the rural hinterland. The node itself is relatively constrained in terms of suitable land for future development, as a result of the undulating topography

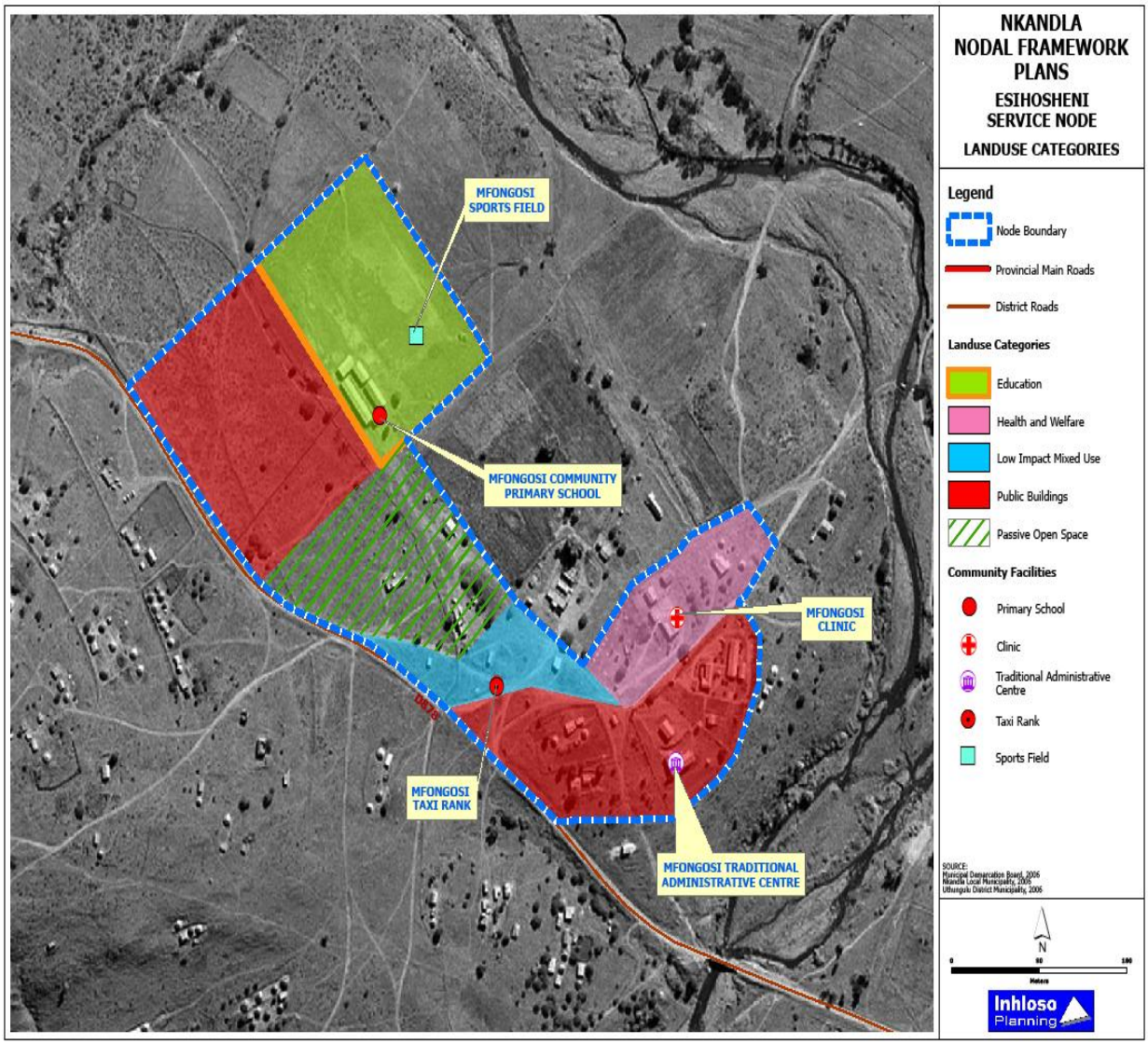
❖ **Lindela Node**



❖ **Qhudeni Development Node**

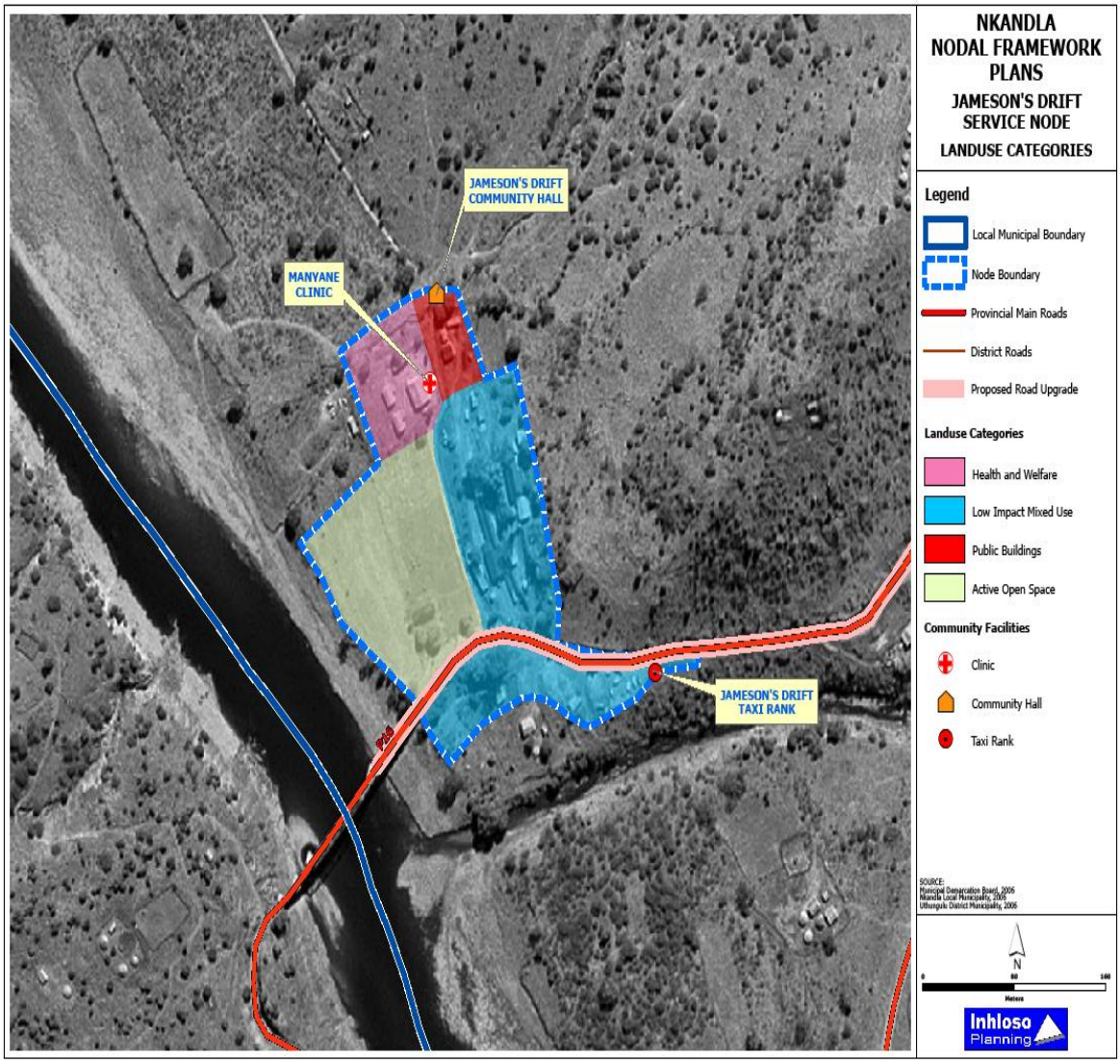
Although Qudeni is mentioned within the Nodal Development Framework for Nkandla, it is not discussed within the document itself, as a separate development framework was compiled for Qudeni. This information is not available for perusal and can therefore not be incorporated into this SDF. The proposals that follow are thus based on information gathered through consultation with the municipality and other stakeholders. Apart from Nkandla, Qudeni is the only node with Formal Registered erven, which are all registered in the name of Department Land Affairs (Now Rural Development & Land Reform). The diagram below depicts the boundaries of Qudeni

❖ **Esihosheni Node**

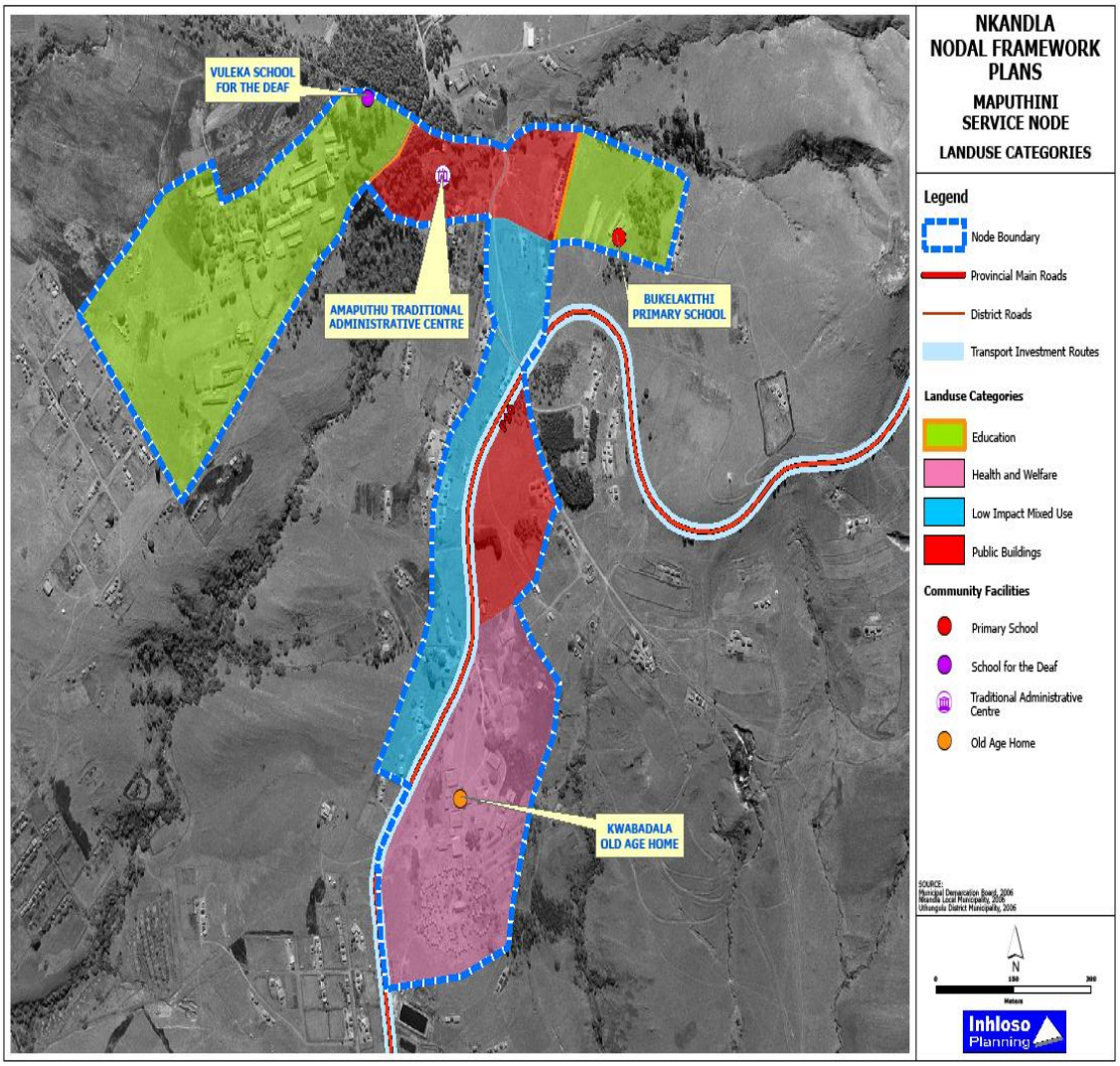


Esihosheni Service Node is located in the western portion of the municipal area. Access to the node is via the D878 gravel District Road. The route to Esihosheni Node from Dlolwane is characterized by a very scenic mountain range to the north of the road. The node is well served with water infrastructure which also includes part of its rural hinterland. Electricity provision is limited to the essential land uses in the node itself, with the rural hinterland still facing electricity reticulation backlogs. The availability of suitable land for further development is relatively scarce in light of the undulating topography and slopes, as well as flood plain.

❖ **Jamsons drift node**

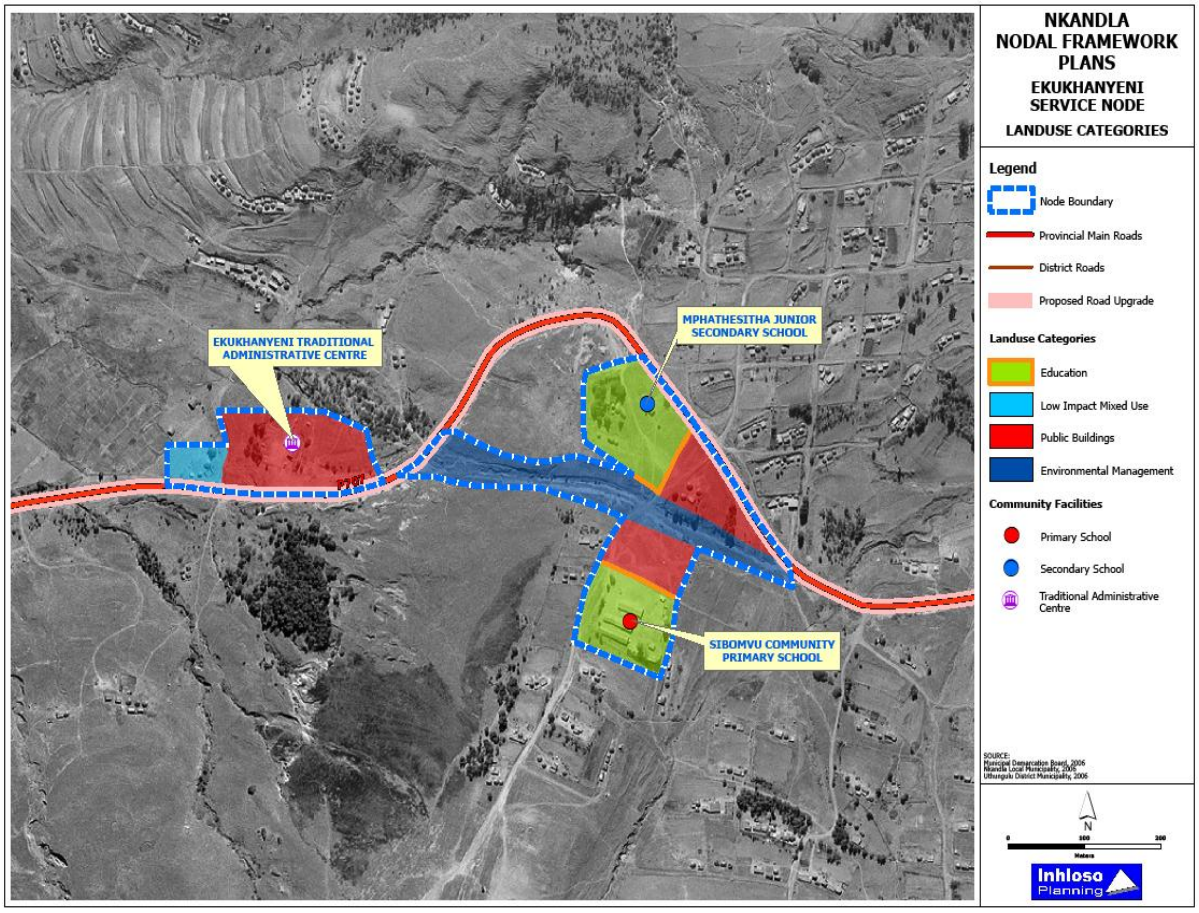


❖ **Maphuthu Node**



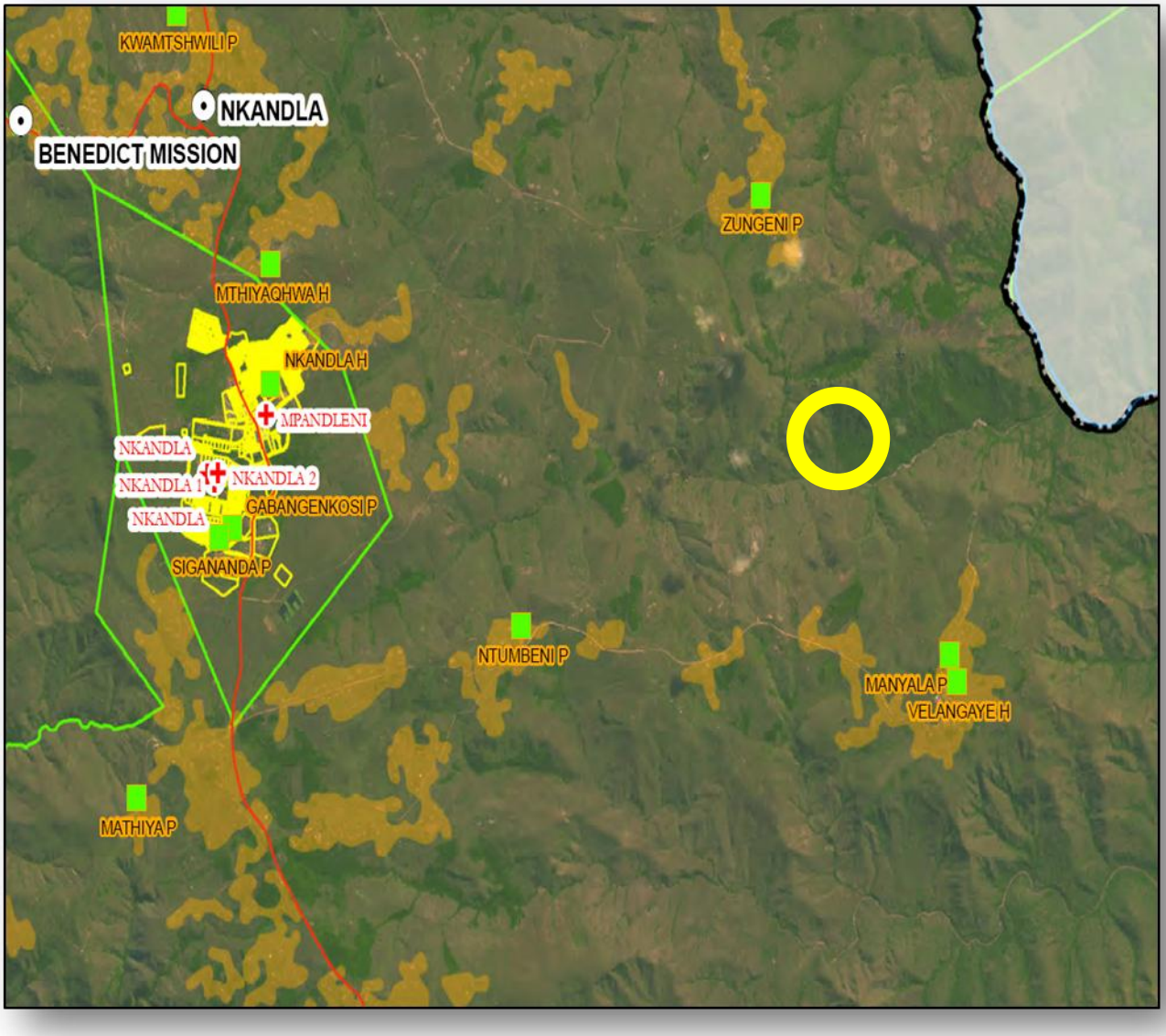
Maputhini Service Node has strategically been identified due to its proximity to the P50 main transport investment route, Nkandla Town, the Nkonisa Commercial Forest, the proposed P90 Tourism Node, as well as the agricultural investment area to its north. The node has very few desirable land uses. One of the well-known land uses in the node is the Vuleka School for the Deaf. The node is also home to the only old age home, evident at a node in Nkandla, namely the KwaBadala Old Age Home. The node and its immediate surrounds are well served with both water and electricity.

❖ **Ekukhanyeni Node**

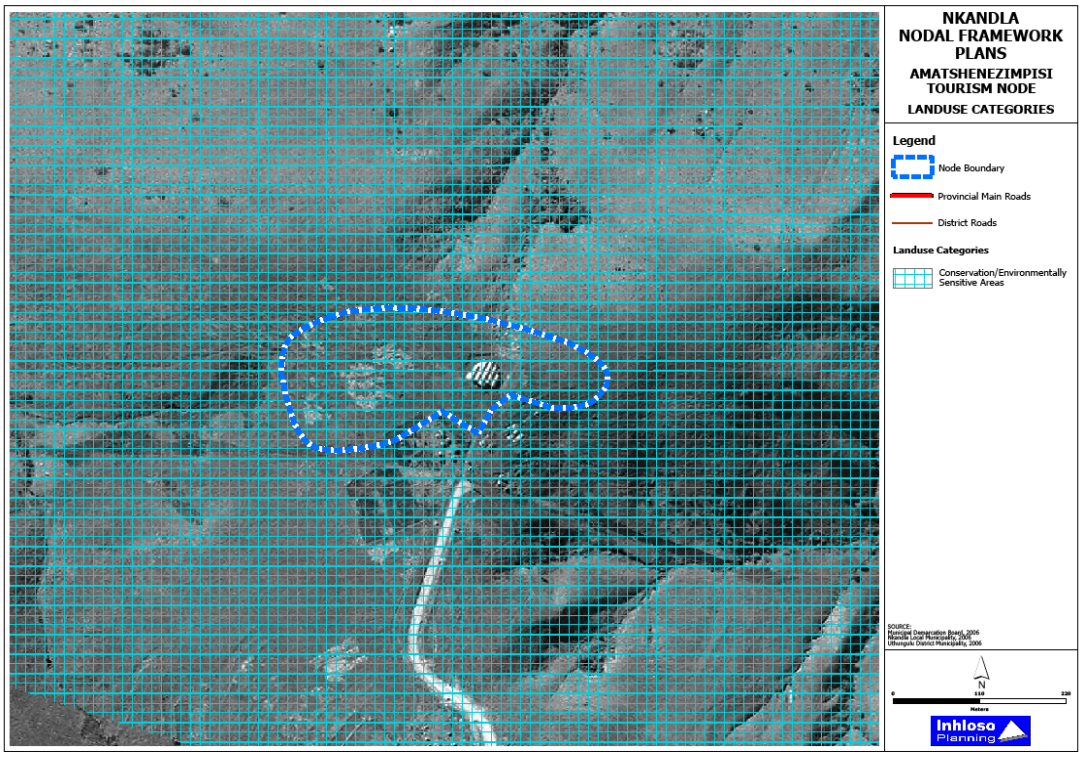


Ekukhanyeni Service Node is located along the P707 which is an alternative route to Qhudeni. It has been strategically identified due to its proximity to the P50 main transport investment route, and the agricultural investment areas to its north and south. The node is characterised by an undulating topography with denser settlement on the hillsides on both sides of the road. Further, existing land uses are also relatively scattered along the P707. As with the proposed Economic Development Nodes, it is also crucial that the identified Service Nodes are provided with sufficient basic infrastructure (water, sanitation and electricity). Suitable land for future development is relatively scarce. Social facilities, such as the Cemetery and Sogodi Primary School, as well as some tuck shops, are dispersed along the P707.

- **Amatshenezimpisi Tourism Node**

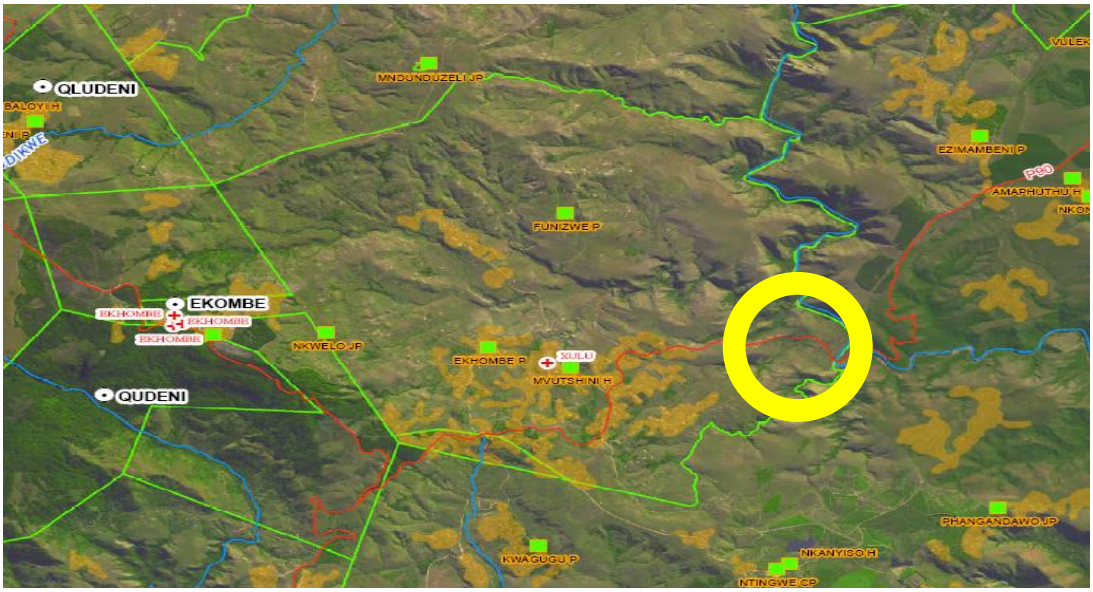


❖ **Amatshenezimpisi Node**



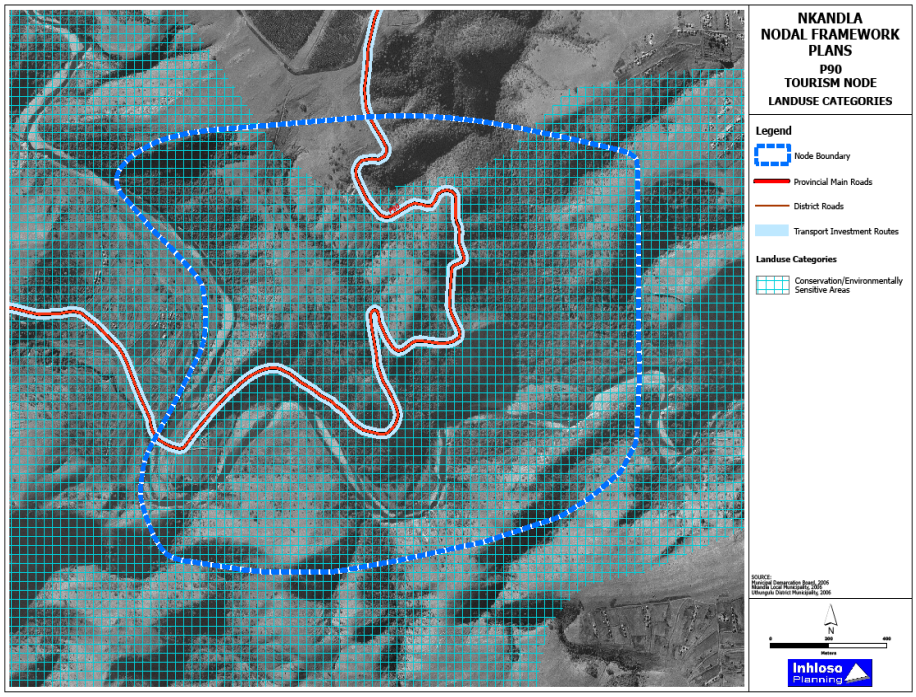
A Land use at the Amatshenezimpisi Tourism Node includes:

- 4 Self-Catering Chalets;
- Community Hall;
- Communal Washing Area; and
- Accommodation for staff.

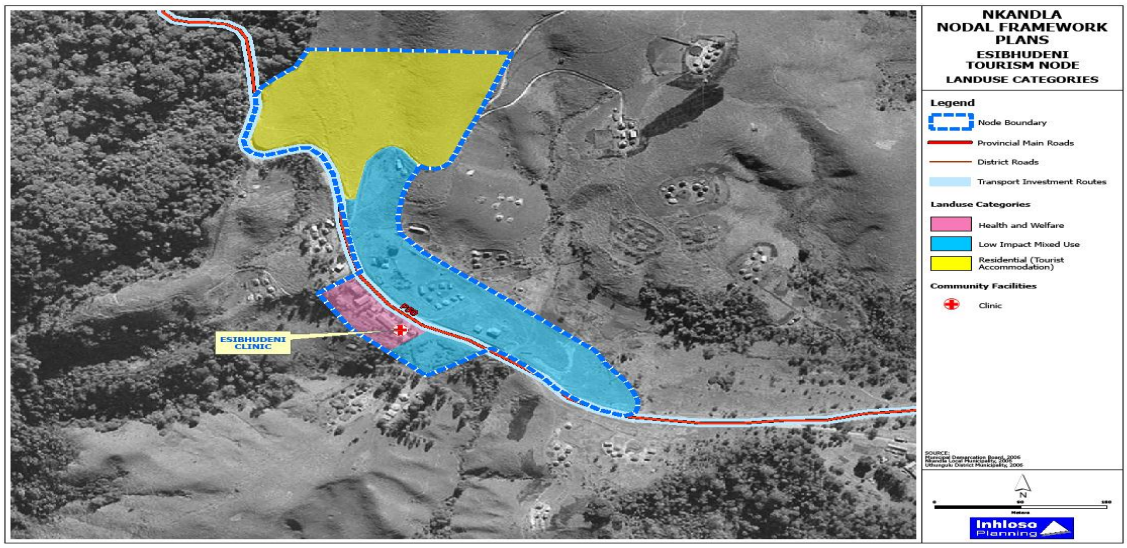


The node is characterized by breath-taking views. The node is currently not developed, but could offer excellent opportunities for tourist related development, such as chalets that blend in with the natural environment and walking trails. A walking trails can be developed at chalets (or camping areas) can be located at say 10kms intervals. The node is not served with any infrastructure.

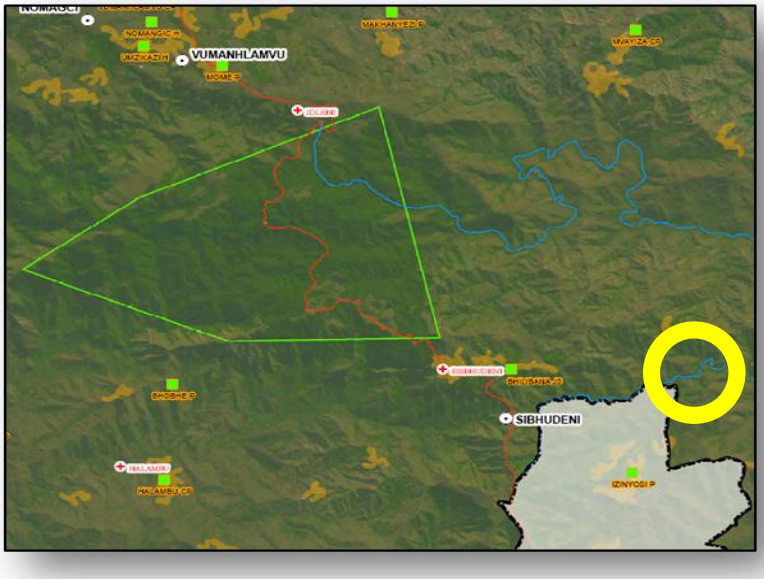
- **P90 Node**



❖ **Esibhudeni Node**



❖ **Esibhudeni Node**



The node is strategically located at the southern entrance to the Nkandla Forest Reserve. Apart from the Nkandla Forest Reserve, there is a number of other tourism attractions in close proximity to the Node, such as King Cetshwayo's Grave Site. Opportunities exist to link the provision of tourism facilities with the Nkandla Forest Reserve (such as accommodation, commercial facilities, an Information Office, restaurants, etc.). The node is served with a clinic, as well as water and electricity. Due to the undulating topography, the rural settlement pattern is scattered settlement.

18. SECTION F: FINANCIAL PLAN

18.1 EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Nkandla's financial plan is essential and critical to ensure that the Nkandla remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Nkandla's business and service delivery priorities were reviewed as part of this year's planning and adjustment budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and, printing, workshops, accommodation, and catering.

National Treasury's MFMA Circular No. 70,71,72,73 and 74 were used to guide the compilation of the 2014/15 Adjustment Budget.

The main challenges experienced during the compilation of the 2014/15 Adjustment budget can be summarised as follows:

- The ongoing difficulties in the national and local economy.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities.

The following budget principles and guidelines directly informed the compilation of the 2014/15 Adjustment budget:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 Adjustment budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 Adjustment Budget.

KZN286 Nkandla - Table B1 Adjustments Budget Summary - 27 February 2015

Description	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	5 525	–	–	–	–	–	2 565	2 565	8 090	8 851	10 640
Service charges	14 932	–	–	–	–	–	(173)	(173)	14 759	15 763	16 683
Investment revenue	1 460	–	–	–	–	–	(960)	(960)	500	1 546	1 631
Transfers recognised - operational	71 044	–	–	–	–	–	(98)	(98)	70 946	86 183	86 276
Other own revenue	11 924	–	–	–	–	–	(1 444)	(1 444)	10 480	12 677	13 322
Total Revenue (excluding capital transfers and contributions)	**104 885**	**–**	**–**	**–**	**–**	**–**	**(110)**	**(110)**	**104 775**	**125 020**	**128 551**
Employee costs	28 326	–	–	–	–	–	3 840	3 840	32 166	30 138	32 068
Remuneration of councillors	7 274	–	–	–	–	–	–	–	7 274	7 711	8 173
Depreciation & asset impairment	2 466	–	–	–	–	–	–	–	2 466	2 624	2 792
Finance charges	82	–	–	–	–	–	(82)	(82)	–	87	51
Materials and bulk purchases	12 513	–	–	–	–	–	–	–	12 513	13 252	13 980
Transfers and grants	25 582	–	–	–	–	–	(25 582)	(25 582)	–	–	–
Other expenditure	54 180	–	–	–	–	–	(5 645)	(5 645)	48 534	66 077	70 528
Total Expenditure	**130 423**	**–**	**–**	**–**	**–**	**–**	**(27 469)**	**(27 469)**	**102 954**	**119 888**	**127 593**
Surplus/(Deficit)	(25 538)	–	–	–	–	–	27 359	27 359	1 820	5 132	958
Transfers recognised - capital	25 582	–	–	–	–	–	–	–	25 582	30 366	31 204
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**44**	**–**	**–**	**–**	**–**	**–**	**27 359**	**27 359**	**27 402**	**35 498**	**32 162**

Total operating revenue has decrease by 0.10 per cent or R110 thousand for the 2014/15 adjustment budget compared to the Original Budget, the municipality has maintained its revenue since the decrease is less than 10 per cent on the adjustment budget bases on the output of mid-year budget and performance assessment. For the two outer years, operational revenue will increase by 19.32 and 2.82 per cent respectively.

Total operating expenditure for the adjustment budget has been appropriated at R102.9 million and translated into a budget surplus of R1.8. When compared to the original budget, for the two outer years operation expenditure will increase by 16.4 and 6.4 per cent respectively.

The Capital expenditure of R25.5 million and has grown by 18.70 and 2.75 per cent for each of respective outer years.

❖ OPERATING REVENUE FRAMEWORK

For Nkandla municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. But in these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty, at the same time, we do not have core sources of funding in exception of government Grants. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipal environment and continued economic development;
- Efficient revenue management, which aims to ensure a reasonable percentage annual collection rate for property rates and other key service charges;
- The municipality's Indigent Policy and rendering of free basic services; and
- Revenue enhancement strategy

- ✓ The budgeted amount of 14 million for service charges is achievable in light of the credit control policy that has been adopted by council in the previous year and actual collection in previous year.
- ✓ The revenue from property rate is expected to increase over the next three years as there are numerous development that are expected to take place eg Mall.

Table 2 Summary of revenue classified by main revenue source.

KZN286 Nkandla - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	5 400	–	–	–	–	–	2 300	2 300	7 700	8 719	10 500
Property rates - penalties & collection charges		125						265	265	390	132	140
Service charges - electricity revenue	2	14 500	–	–	–	–	–	–	–	14 500	15 306	16 200
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	420	–	–	–	–	–	(320)	(320)	100	445	469
Service charges - other		12						147	147	159	13	13
Rental of facilities and equipment		492						(237)	(237)	255	520	549
Interest earned - external investments		1 460						(960)	(960)	500	1 546	1 631
Interest earned - outstanding debtors									–	–		
Dividends received									–	–		
Fines									–	–		
Licences and permits		10							–	10	11	11
Agency services		–							–	–		
Transfers recognised - operating		71 044						(98)	(98)	70 946	86 183	86 276
Other revenue	2	9 822	–	–	–	–	–	(2 607)	(2 607)	7 215	8 954	9 365
Gains on disposal of PPE		1 600						1 400	1 400	3 000	3 192	3 396
Total Revenue (excluding capital transfers and contributions)		**104 885**	**–**	**–**	**–**	**–**	**–**	**(110)**	**(110)**	**104 775**	**125 020**	**128 551**

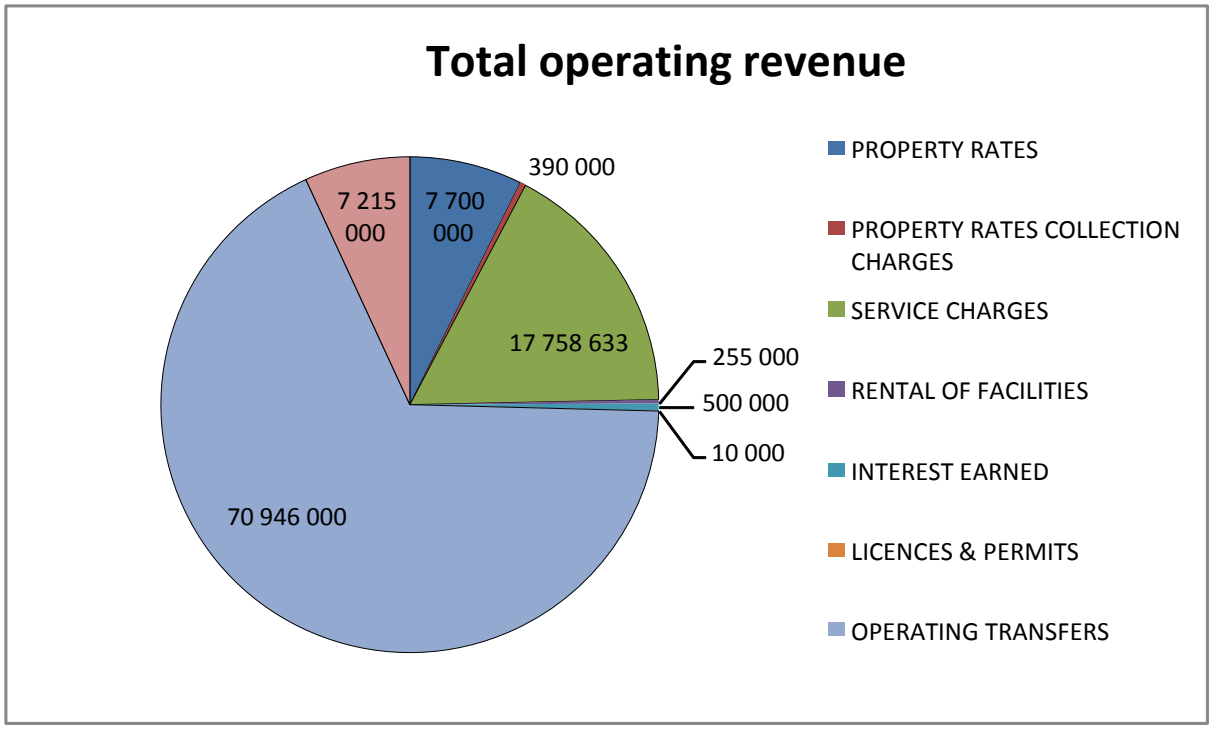
In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. All the amounts are in thousands on this table.

Section 18 of the Municipal Finance Management Act 2003 which deals with the funding of expenditure states that revenue projection in the budget must be realistic, taking into account projected revenue for the current year based on collection levels to date and actual revenue collected in previous years.

Property rate has increase by 42.59 per cent on adjustment budget compared to original budget, for the two outer years 13.23 and 20.43 per cent.

Service Charges: refuse removal has decrease by 76.19 per cent due to poor collection

The below pie chat summarises the revenue for the adjustment budget



Operational Grants allocated for the municipality

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term

KZN286 Nkandla - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 27 February 2015

Description	Ref	Budget Year 2014/15							Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**70 359**	**–**	**–**	**(98)**	**–**	**(98)**	**70 261**	**85 460**	**85 296**
Local Government Equitable Share		65 977			(98)		(98)	65 879	82 543	82 178
Finance Management	3	1 800			–		–	1 800	1 950	2 100
Municipal Systems Improvement		934			–		–	934	967	1 018
EPWP Incentive		1 648			–		–	1 648		
					–		–	–		
					–		–	–		
Other transfers and grants [LGSETA]							–	–		
Provincial Government:		**685**	**–**	**–**	**–**	**–**	**–**	**685**	**723**	**980**
							–	–		
							–	–		
	4						–	–		
							–	–		
Provincialisation and cyber cadet	5	685			–		–	685	723	980
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]							–	–		
							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Total Operating Transfers and Grants	6	**71 044**	**–**	**–**	**(98)**	**–**	**(98)**	**70 946**	**86 183**	**86 276**

The total operating grants for 2014/15 adjustment budget is R70.9 million, operating grants are decreased by 0.1 percent compared to original budget, the two outer years are increased by 21.63 and 0.19.

- **OPERATING EXPENDITURE FRAMEWORK**

The Municipality's expenditure framework for the 2014/15 adjustment budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Nkandla municipality's 2013/14 Annual Budget and MTREF
- Funding of the budget over the adjustment as informed by Section 18 and 19 of the MFMA;

The operating expenditure for 2014/2015 year has been appropriated at R102 954 million and translates into a budgeted surplus of R 1.8 million. When compared to 2014/2015 original budget.

KZN286 Nkandla - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 February 2015

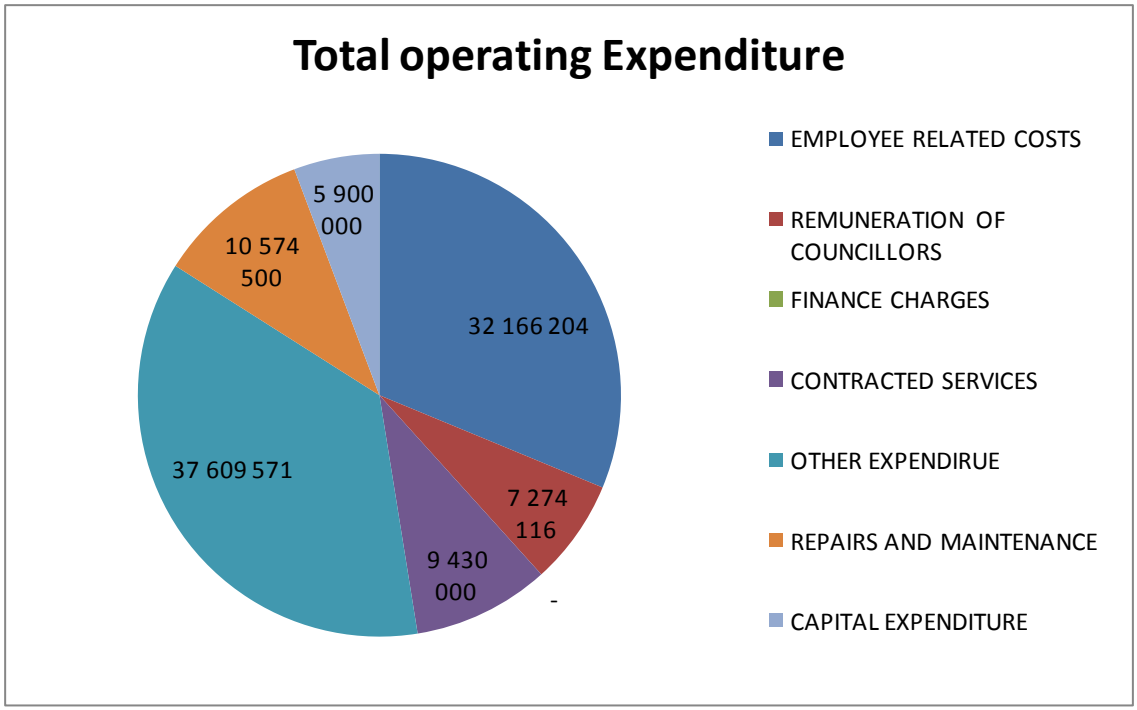
Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		28 326	–	–	–	–	–	3 840	3 840	32 166	30 138	32 068
Remuneration of councillors		7 274						–	–	7 274	7 711	8 173
Debt impairment		–						–	–	–		
Depreciation & asset impairment		2 466	–	–	–	–	–	–	–	2 466	2 624	2 792
Finance charges		82						(82)	(82)	–	87	51
Bulk purchases		12 513	–	–	–	–	–	–	–	12 513	13 252	13 980
Other materials		–						–	–	–		
Contracted services		6 930	–	–	–	–	–	2 500	2 500	9 430	7 339	7 745
Transfers and grants		25 582						(25 582)	(25 582)	–	–	–
Other expenditure		47 250	–	–	–	–	–	(8 145)	(8 145)	39 104	58 738	62 784
Loss on disposal of PPE		–							–	–		
Total Expenditure		**130 423**	**–**	**–**	**–**	**–**	**–**	**(27 469)**	**(27 469)**	**102 954**	**119 888**	**127 593**
Surplus/(Deficit)		**(25 538)**	**–**	**–**	**–**	**–**	**–**	**27 359**	**27 359**	**1 820**	**5 132**	**958**

❖ Employees related Costs

The budgeted allocation for employee related costs for the 2014/15 adjustment budget totals R32, 166 million, which equals 38 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.79 per cent for the 2014/15 financial year. An annual increase of 6.40 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).The budget allocation for councillors is 7,274 million.

Transfers and grants were misallocated on the original budget A schedule format this amount is for capital transfers, misallocation is corrected on this adjustment budget B schedule.



❖ CAPITAL EXPENDITURE BY DEPARTMENT (VOTE)

KZN286 Nkandla - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure ***to be adjusted***	2											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical Services		25 582	–	–	–	–	–	–	–	25 582	30 366	31 204
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	**25 582**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25 582**	**30 366**	**31 204**
Single-year expenditure ***to be adjusted***	2											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		30	–	–	–	(30)	–	–	(30)	–	–	–
Vote 3 - Budget & Treasury		675	–	–	–	225	–	–	225	900	1 117	1 179
Vote 4 - Corporate Services		220	–	–	(220)	–	–	–	(220)	–	424	447
Vote 5 - Community Services		110	–	–	–	(110)	–	–	(110)	–	–	–
Vote 6 - Technical Services		120	–	–	–	4 880	–	–	4 880	5 000	2 648	2 793
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**1 155**	**–**	**–**	**(220)**	**4 965**	**–**	**–**	**4 745**	**5 900**	**4 188**	**4 419**
Total Capital Expenditure - Vote		**26 737**	**–**	**–**	**(220)**	**4 965**	**–**	**–**	**4 745**	**31 482**	**34 554**	**35 623**

Capital projects are 25 582 million and are funded by 25 582 million as per gazette, the other expenditure has increase by 4 745 million funded by internally generated funds

The following table illustrate the capital projects funded external.

PRIORITIZES CAPITAL PROJECTS

ELECTRICAL PROJECT	2015/2016	2016/2017	2017/2018
NHLOSHANE	8 000 000.00	12 000 000.00	10 000 000.00
THALANENI	4 500 000.00	5 000 000.00	7 500 000 00
VUMANHLAMVU	3 000 000.00		
SIXHOKOLO/MPONDO	1 633 000.00		
SIDASHI/QOTHU/ MALUNGA	4 500 000.00	12 000 000.00	5 000 000.00
MAKHANYEZI	2 093 000.00		
DLOLWANE	1 817 000.00		
EZIJIBENI	1 978 000.00		
NTSHIZA	2 750 000.00		
VUTSHINI/MADLOZI	3 119 000.00		
MASOLOSOLO	1 610 000.00		
TOTAL ELECTRICAL PROJECTS	**35 000 000.00**	**29 000 000.00**	**22 500 000.00**
MIG PROJECTS	23 740 200.00	24 927 210.00	

CAPITAL PROJECTS	2015/2016	2016/2017	2017/2018	
PROJECT 1 : Bhacane to Thaleni Road	R 4 000 000.00	R2 500 000.00	R2 000 000.00	To be funded through MIG funding as phase 1 as the total project would require more funding than is available currently
PROJECT 2 : Nkomeziphansi Raod	R 4 000 000.00	R2 500 000.00	R2 000 000.00	To be funded through MIG funding as phase 1 as the total project would require more funding than is available currently
PROJECT 3 :Vumanhlamvu CSC	R 3 500 000.00			To be funded through MIG funding
PROJECT 3 : Ezimvubu Road	R 1 500 000.00	R2 000 000.00	R2 000 000.00	To be funded through MIG funding as phase 1 as the total project would require more funding than is

				available currently
PROJECT 4 : Emathengeni Raod	R 4 000 000.00	R2 500 000.00	R3 000 000.00	To be funded through MIG funding as phase 1 as the total project would require more funding than is available currently
PROJECT 5 : Matshenezimpisi Road Rehab Phase 2-Part 2	R 2 000 000.00			To be funded through MIG funding
Nkethabaweli to Manzawayo Road		R5 000 000.00	R5 500 000.00	
Nhlababo Community Service Centre			R5 000 000.00	
Mandathane Access Road			R10 000 000.00	
Ngwegweni Access Road		R10 000 000.00		
Makhendle Access Road		R5 000 000.00	R5 500 000.00	
Dloyiyana Access Road		R3 500 000.00	R5 000 000.00	
Ezindumeni Access Road			R7 500 000.00	
kwaNtshiza Access Road	R3 000 000.00	R5 000 000.00		
Ezintinini Community Service Centre			R5 000 000.00	
Willem Access Road			R7 500 000.00	
Isikhwane Gravel Access Road			R7 500 000.00	
Ward 8 Community Hall			R5 000 000.00	
Makhanyezi Gravel Road			R5 000 000.00	
Ward 6 Community Hall			R5 000 0000.00	
Emathengeni Access Road		R5 000 000.00	R5 000 000.00	
Nkomeziphansi Access Road		R5 000 000.00	R5 000 000.00	
Mpingana Link		R3 500 000.00	R4 000 000.00	
Egosweni/Skhaleni Road		R3 500 000.00	R4 000 000.00	

Egosweni Causeway		R7 500 000.00		
Ediphini Road and causeway		R5 000 000.00	R5000 000.00	
Dayingubo causeway		R7 500 000.00		
kwaGugu Access Road		R3 500 000.00		
Amaphuthu CSC			R5 000 000.00	
Ward 7 Community Hall			R5 000 000.00	
	R 22 500 000.00	**R 78 500 000.00**	**R115 500 000.00**	

- **ANNUAL BUDGET TABLES**

  The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 Adjustment budget.

KZN286 Nkandla - Table B1 Adjustments Budget Summary - 27 February 2015

Description	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	5 525	–	–	–	–	–	2 565	2 565	8 090	8 851	10 640
Service charges	14 932	–	–	–	–	–	(173)	(173)	14 759	15 763	16 683
Investment revenue	1 460	–	–	–	–	–	(960)	(960)	500	1 546	1 631
Transfers recognised - operational	71 044	–	–	–	–	–	(98)	(98)	70 946	86 183	86 276
Other own revenue	11 924	–	–	–	–	–	(1 444)	(1 444)	10 480	12 677	13 322
Total Revenue (excluding capital transfers and contributions)	**104 885**	**–**	**–**	**–**	**–**	**–**	**(110)**	**(110)**	**104 775**	**125 020**	**128 551**
Employee costs	28 326	–	–	–	–	–	3 840	3 840	32 166	30 138	32 068
Remuneration of councillors	7 274	–	–	–	–	–	–	–	7 274	7 711	8 173
Depreciation & asset impairment	2 466	–	–	–	–	–	–	–	2 466	2 624	2 792
Finance charges	82	–	–	–	–	–	(82)	(82)	–	87	51
Materials and bulk purchases	12 513	–	–	–	–	–	–	–	12 513	13 252	13 980
Transfers and grants	25 582	–	–	–	–	–	(25 582)	(25 582)	–	–	–
Other expenditure	54 180	–	–	–	–	–	(5 645)	(5 645)	48 534	66 077	70 528
Total Expenditure	**130 423**	**–**	**–**	**–**	**–**	**–**	**(27 469)**	**(27 469)**	**102 954**	**119 888**	**127 593**
Surplus/(Deficit)	(25 538)	–	–	–	–	–	27 359	27 359	1 820	5 132	958
Transfers recognised - capital	25 582	–	–	–	–	–	–	–	25 582	30 366	31 204
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**44**	**–**	**–**	**–**	**–**	**–**	**27 359**	**27 359**	**27 402**	**35 498**	**32 162**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**44**	**–**	**–**	**–**	**–**	**–**	**27 359**	**27 359**	**27 402**	**35 498**	**32 162**
Capital expenditure & funds sources											
Capital expenditure	26 737	–	–	(220)	4 965	–	–	4 745	31 482	34 554	35 623
Transfers recognised - capital	25 582	–	–	–	–	–	–	–	25 582	30 366	31 204
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	1 155	–	–	–	4 745	–	–	4 745	5 900	4 188	4 419
Total sources of capital funds	**26 737**	**–**	**–**	**–**	**4 745**	**–**	**–**	**4 745**	**31 482**	**34 554**	**35 623**
Financial position											
Total current assets	60 782	–	–	–	–	–	(46 460)	(46 460)	14 321	15 153	16 123
Total non current assets	84 364	–	–	–	–	–	129 877	129 877	214 241	233 188	248 112
Total current liabilities	189	–	–	–	–	–	–	–	189	201	213
Total non current liabilities	–	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	**144 957**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**144 957**	**154 234**	**164 105**
Cash flows											
Net cash from (used) operating	25 626	–	–	–	–	–	1 777	1 777	27 403	37 889	33 818
Net cash from (used) investing	(25 582)	–	–	–	–	–	–	–	(25 582)	(30 366)	(31 204)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**1 363**	**–**	**–**	**–**	**–**	**–**	**1 777**	**1 777**	**3 140**	**7 523**	**2 614**
Cash backing/surplus reconciliation											
Cash and investments available	51 423	–	–	–	–	–	(50 103)	(50 103)	1 319	1 319	1 404
Application of cash and investments	(9 845)	–	–	–	–	–	(4 343)	(4 343)	(14 188)	(13 817)	(14 199)
Balance - surplus (shortfall)	**61 268**	**–**	**–**	**–**	**–**	**–**	**(45 761)**	**(45 761)**	**15 507**	**15 137**	**15 603**
Asset Management											
Asset register summary (WDV)	29 537	–	–	–	–	–	2 045	2 045	31 582	42 554	43 623
Depreciation & asset impairment	2 466	–	–	–	–	–	–	–	2 466	2 624	2 792
Renewal of Existing Assets	21 582	–	–	–	–	–	–	–	21 582	22 366	23 204
Repairs and Maintenance	9 833	–	–	–	–	–	(933)	(933)	8 900	13 907	14 787
Free services											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

The above table B1 summarises all the adjustment budget.

KZN286 Nkandla - Table B2 Adjustments Budget Financial Performance (standard classification) - 27 February 2015

Standard Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12		
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
Governance and administration		**88 581**	**–**	**–**	**–**	**–**	**–**	**(1 202)**	**(1 202)**	**87 379**	**106 161**	**108 438**
Executive and council		–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		88 581	–	–	–	–	–	(1 202)	(1 202)	87 379	106 161	108 438
Corporate services		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**711**	**–**	**–**	**–**	**–**	**–**	**(4)**	**(4)**	**707**	**750**	**1 009**
Community and social services		711	–	–	–	–	–	(4)	(4)	707	750	1 009
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**41 175**	**–**	**–**	**–**	**–**	**–**	**(24 486)**	**(24 486)**	**16 689**	**18 109**	**19 105**
Planning and development		41 175	–	–	–	–	–	(24 486)	(24 486)	16 689	18 109	19 105
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Electricity		–	–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	2	**130 467**	**–**	**–**	**–**	**–**	**–**	**(25 692)**	**(25 692)**	**104 775**	**125 020**	**128 551**
Expenditure - Standard												
Governance and administration		**46 690**	**–**	**–**	**–**	**–**	**–**	**774**	**774**	**47 464**	**56 695**	**59 597**
Executive and council		14 878	–	–	–	–	–	(2 399)	(2 399)	12 479	15 016	15 887
Budget and treasury office		16 867	–	–	–	–	–	4 827	4 827	21 693	25 844	26 928
Corporate services		14 945	–	–	–	–	–	(1 654)	(1 654)	13 291	15 836	16 781
Community and public safety		**23 439**	**–**	**–**	**–**	**–**	**–**	**(5 770)**	**(5 770)**	**17 669**	**25 405**	**27 072**
Community and social services		23 439	–	–	–	–	–	(5 770)	(5 770)	17 669	25 405	27 072
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**34 712**	**–**	**–**	**–**	**–**	**–**	**3 109**	**3 109**	**37 821**	**37 788**	**40 924**
Planning and development		34 712	–	–	–	–	–	3 109	3 109	37 821	37 788	40 924
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Electricity		–	–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	3	**104 841**	**–**	**–**	**–**	**–**	**–**	**(1 886)**	**(1 886)**	**102 954**	**119 888**	**127 593**
Surplus/ (Deficit) for the year		**25 626**	**–**	**–**	**–**	**–**	**–**	**(23 805)**	**(23 805)**	**1 820**	**5 132**	**958**

The above table illustrate the income and expenditure per department.

KZN286 Nkandla - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 27 February 2015

Vote Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
[Insert departmental structure etc]			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury		88 581	–	–	–	–	–	(1 202)	(1 202)	87 379	106 161	108 438
Vote 4 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		711	–	–	–	–	–	(4)	(4)	707	750	1 009
Vote 6 - Technical Services		41 175	–	–	–	–	–	(24 486)	(24 486)	16 689	18 109	19 105
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**130 467**	**–**	**–**	**–**	**–**	**–**	**(25 692)**	**(25 692)**	**104 775**	**125 020**	**128 551**
Expenditure by Vote	1											
Vote 1 - Executive & Council		10 017	–	–	–	–	–	(1 283)	(1 283)	8 735	10 616	11 238
Vote 2 - Office of the Municipal Manager		4 861	–	–	–	–	–	(1 116)	(1 116)	3 745	4 401	4 649
Vote 3 - Budget & Treasury		16 867	–	–	–	–	–	4 827	4 827	21 693	25 844	26 928
Vote 4 - Corporate Services		14 945	–	–	–	–	–	(1 654)	(1 654)	13 291	15 836	16 781
Vote 5 - Community Services		23 439	–	–	–	–	–	(5 770)	(5 770)	17 669	25 405	27 072
Vote 6 - Technical Services		34 712	–	–	–	–	–	3 109	3 109	37 821	37 788	40 924
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**104 841**	**–**	**–**	**–**	**–**	**–**	**(1 886)**	**(1 886)**	**102 954**	**119 888**	**127 593**
Surplus/ (Deficit) for the year	2	**25 626**	**–**	**–**	**–**	**–**	**–**	**(23 805)**	**(23 805)**	**1 820**	**5 132**	**958**

KZN286 Nkandla - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure *to be adjusted*	2											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical Services		25 582	–	–	–	–	–	–	–	25 582	30 366	31 204
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	**25 582**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25 582**	**30 366**	**31 204**
Single-year expenditure *to be adjusted*	2											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		30	–	–	–	(30)	–	–	(30)	–	–	–
Vote 3 - Budget & Treasury		675	–	–	–	225	–	–	225	900	1 117	1 179
Vote 4 - Corporate Services		220	–	–	(220)	–	–	–	(220)	–	424	447
Vote 5 - Community Services		110	–	–	–	(110)	–	–	(110)	–	–	–
Vote 6 - Technical Services		120	–	–	–	4 880	–	–	4 880	5 000	2 648	2 793
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**1 155**	**–**	**–**	**(220)**	**4 965**	**–**	**–**	**4 745**	**5 900**	**4 188**	**4 419**
Total Capital Expenditure - Vote		**26 737**	**–**	**–**	**(220)**	**4 965**	**–**	**–**	**4 745**	**31 482**	**34 554**	**35 623**
Capital Expenditure - Standard												
Governance and administration		**925**	**–**	**–**	**–**	**(25)**	**–**	**–**	**(25)**	**900**	**1 541**	**1 626**
Executive and council		30				(30)			(30)	–	–	–
Budget and treasury office		675				225			225	900	1 117	1 179
Corporate services		220				(220)			(220)	–	424	447
Community and public safety		**110**	**–**	**–**	**–**	**(110)**	**–**	**–**	**(110)**	**–**	**–**	**–**
Community and social services		110				(110)			(110)	–		
Sport and recreation									–	–		
Public safety									–	–		
Housing									–	–		
Health									–	–		
Economic and environmental services		**25 702**	**–**	**–**	**–**	**4 880**	**–**	**–**	**4 880**	**30 582**	**33 014**	**33 997**
Planning and development		25 702				4 880			4 880	30 582	33 014	33 997
Road transport									–	–		
Environmental protection									–	–		
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Electricity									–	–		
Water									–	–		
Waste water management									–	–		
Waste management									–	–		
Other									–	–		
Total Capital Expenditure - Standard	3	**26 737**	**–**	**–**	**–**	**4 745**	**–**	**–**	**4 745**	**31 482**	**34 554**	**35 623**
Funded by:												
National Government		25 582							–	25 582	30 366	31 204
Provincial Government									–	–		
District Municipality									–	–		
Other transfers and grants									–	–		
Total Capital transfers recognised	4	**25 582**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25 582**	**30 366**	**31 204**
Public contributions & donations									–	–		
Borrowing									–	–		
Internally generated funds		1 155				4 745			4 745	5 900	4 188	4 419
Total Capital Funding		**26 737**	**–**	**–**	**–**	**4 745**	**–**	**–**	**4 745**	**31 482**	**34 554**	**35 623**

The above table illustrate the capital expenditure by department and the funding of expenditure.

KZN286 Nkandla - Table B6 Adjustments Budget Financial Position - 27 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		51 423						(50 103)	(50 103)	1 319	1 319	1 404
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	6 983	–	–	–	–	–	3 636	3 636	10 619	11 299	12 022
Other debtors		2 376						(84)	(84)	2 291	2 438	2 594
Current portion of long-term receivables									–	–		
Inventory								91	91	91	97	103
Total current assets		**60 782**	**–**	**–**	**–**	**–**	**–**	**(46 460)**	**(46 460)**	**14 321**	**15 153**	**16 123**
Non current assets												
Long-term receivables									–	–		
Investments									–	–		
Investment property		18						5 655	5 655	5 673	6 036	6 422
Investment in Associate									–	–		
Property, plant and equipment	1	83 855	–	–	–	–	–	8 408	8 408	92 263	103 403	110 021
Agricultural									–	–		
Biological									–	–		
Intangible		491						13	13	505	537	571
Other non-current assets								115 801	115 801	115 801	123 212	131 098
Total non current assets		**84 364**	**–**	**–**	**–**	**–**	**–**	**129 877**	**129 877**	**214 241**	**233 188**	**248 112**
TOTAL ASSETS		**145 145**	**–**	**–**	**–**	**–**	**–**	**83 417**	**83 417**	**228 563**	**248 342**	**264 236**
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		76							–	76	81	86
Trade and other payables		–	–	–	–	–	–	–	–	–	–	–
Provisions		113							–	113	120	127
Total current liabilities		**189**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**189**	**201**	**213**
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	–	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES		**189**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**189**	**201**	**213**
NET ASSETS	2	**144 957**	**–**	**–**	**–**	**–**	**–**	**83 417**	**83 417**	**228 374**	**248 141**	**264 022**
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		144 957	–	–	–	–	–	–	–	144 957	154 234	164 105
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		**144 957**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**144 957**	**154 234**	**164 105**

The above table illustrate the financial position

19. SECTION G: PERFORMANCE MANAGEMENT

19.1 Introduction and Background

Performance management is a strategic management approach that equips the Mayor, Municipal Manager, Heads of Departments, employees and stakeholders with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review the performance of the institution against indicators and targets for efficiency, effectiveness and impact. Annual Performance report reflects on the performance of the municipality on the previous performance year. This report contains performance report for the year of 2012/13.

The reason for that is by the time of preparation of Integrated Development Plan 2014/15 annual performance assessment for the year 2013/14 was not completed. This report 2013/14 will be prepared for the audit of 2013/14 financial year together with Annual Financial Statements 2013/14 by 31 August 2014. So the performance report of 2012/13 shows minimum performance in most KPA' of which drastic improvement on SDBIP & Quarterly reports of 2013/14 indicates much of steady progress on performance reports. The templates of the Annual Performance Report do not match this paper size. An attachment with regard to Annual Performance is made to this section. Kindly refer to the A3 Attached copy. The PMS entail a framework that describes and represent how the municipality's cycle and processes of performance planning, monitoring, measurements, review, reporting and improvement will be conducted, organised and managed.

19.2 The core elements of the system are:

- Organisational PMS;
- Section 54/56 Performance contracts;
- Employee Performance Appraisal System;
- IT System;
- Performance Audit Committee;
- Annual Report;
- Quarterly Reports
- Public Participation and internal and external communication mechanisms.

The Performance Management Framework has been developed and the PMS policy has been reviewed and adopted by the council. The Municipal Manager and Managers directly reporting to the Municipal Manager will sign Performance Agreements as a performance contract between themselves and Council.

19.3 Performance Management Policy Statement

Both the Performance Management Framework and Policy outlined the objectives and principles of Nkandla Local Municipality PMS. The objectives of the Nkandla Municipality PMS are as follows:

- Facilitate increased accountability among the citizens, political and administrative components of the municipality,

- Facilitate learning and improvement through enabling the municipality to employ the best approaches for desired impact and improve service delivery.

- Provide early warning signals in case of a risk against implementation of the IDP and ensuring that the system itself makes provision for Council to be timeously informed of risks for facilitation and intervention.

- Facilitate decision-making though an appropriate information management mechanism enhancing efficient, effective and informed decision making, especially in allocation of resources.

19.4 The Performance Management System for the Nkandla Municipality is guided by the following principles:

- Simplicity

- The system will need to be kept as simple as possible to ensure that the municipality can develop, implement, manage and review the system without placing an unnecessary great burden on the existing capacity of the municipality.

- Politically acceptable and administratively managed

- The system must be acceptable to political role players on all levels. It must also be flexible enough to be accepted by the municipal council and to enjoy buy-in across political differences. The process will involve both Councillors and officials but the day-to-day management of the process will be managed administratively with regular report back on progress to the political level.

- Implementable

- Considering the resource framework of the municipality, the PMS should be implementable with these resources, which will include time, institutional, financial, and technical resources.

- Transparency and accountability

- The development and implementation of a PMS should be inclusive, transparent and open. The general public should, through the system, be made aware of how the operations of the municipality are being administered, how the public resources are being spent and who certain responsibilities belong to.

- Efficient and sustainable

- The PMS should, like other services within the municipality, be cost effective and should be professionally administered, and needs to happen in a sustainable manner.

- Public participation

- The constituency of the municipality should be granted their legal rights, in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS.

- Integration

- The PMS should be developed and implemented in such a manner that it will be integrated with the integrated development process of the municipality and its employee performance management.

- Objectivity

- The PMS to be developed and implemented must be developed on a sound value system with the management of the system and the information it is based upon being objective and credible.

- Reliability

- The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its Integrated Development Plan.

19.5 Organisational Performance Management System

Performance Management involves the setting of targets, and measuring the desired outcomes and activities undertaken to attain the targets of an organization. It also involves measuring the performance of the individuals who contribute towards the achievement of the strategic vision of the organization.
For a Performance Management System to be successful it is imperative that:

- Top management and the Council take ownership of the development and implementation of the OPMS.

- All stakeholders understand and are actively involved in performance management processes.

- All officials are trained and take responsibility for performance management

- The IDP is linked to the PMS and as well as the five national KPAs being:

- Infrastructure and Services / Basic Service Delivery

- Socio-Economic Development / Local Economic Development (LED)

- Institutional Transformation

- Good Governance and Democracy / Public Participation

- Financial Viability and Management

Each organizational KPA is cascaded down to a level at which it could be allocated to the department and this the specific individual Section 54/56 Manager who need to fulfil that functions. For each KPA, a KPI is derived in respect of each of the development priorities and objectives contained in the IDP and a performance target with a timeline for that particular function is assigned.

In turn the Performance Contracts/Agreements of each Section 54/56 Managers enters into a Performance Contract with the municipality. The Performance Contracts are reviewed annually, in line with the requirements of that year's strategy.

19.7 Employee Performance Appraisal Systems (EPAS)

The objectives of the system are:

- Identify critical job elements, expectations, and performance objectives.

- Ensure that performance objectives are aligned to departmental and municipal objectives which flow from the Integrated Development Plan of the municipality.

- Establish agreement on the job objectives and the criteria that will be used for evaluation.

- Establish a set of ongoing processes needed to define and plan performance, to develop the skills, knowledge and abilities to perform as planned, to facilitate self-assessment, to review and record performance, and to reward performance.

- Provide feedback on job performance, including strengths and weaknesses.

- Identify a means (for example, training) for improving performance.

- Identify realistic job and career opportunities.

- Provide valid information for personnel decisions that will affect the employee.

- Provide employees with a sense of their work accomplishments relative to expectations and predefined performance indicators.

- Support employee development through discussion of assigned opportunities and training.

- Emphasize the Municipality's commitment to continuous improvement and learning.

- To support the Batho Pele principles of service delivery.

19.8 Performance and Financial Audit Committee

The Nkandla Municipality has a fully functional Municipality's Audit Committee. It consists of four members and they meets quarterly.

19.9 Annual Performance Report

An annual report is prepared annually and one of the issues considered during the IDP review is the issues and challenges raised in the Annual Report. The annual report and the oversight report for the 2014/15 financial year was adopted by Council 27 January 2014. The reports were then submitted to Auditor General, Cogta and Treasury.

A copy of the Annual Performance Report for 2012/13 is attached as annexure.

19.10 Auditor General Queries

In response to the Annual Report the Auditor-General's queries, the municipality has developed an action plan to respond to the queries.
The internal auditors are the custodians of the action plan which is discussed at Management committee level and report on to the Audit Committee, MPAC and Council.

20. SECTIONG H: SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

20.1 THE LEGISLATIVE MANADATES

Section 1 of the Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:" a detailed plan approved by the mayor of the municipality in terms of section 53 (1) (c) (ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of top-layer) the following:

(a) Projections for each month of-

(i) Revenue to be collected, by source, and

(ii) Operational and capital expenditure, by vote

(b) Service delivery targets and performance indicators for each quarter."

(c) Ward information for expenditure and service delivery

The SDBIP CONCEPT

The budget sets yearly service delivery and budget targets (revenue and expenditure per vote), it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-of-year targets, must be based on quarterly and monthly targets, and the Municipal Manager must ensure that the budget is built around gives meaning to both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and end of year annual reports.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councillors, Municipal Manager, Senior Managers and Community.

Legally, to take account of possible revisions to the budget, the Act allows for this to take place no later than 28 days after budget approval. **The Draft SDBIP will be included as an annexure.**

21. SECTION I: REPORT ON THE AUDITOR GENERAL

The following table reflects Auditor General Findings and remedial action that needs to be attended to by Nkandla Local Municipality.

NO.	FINDING BY AUDITOR-GENERAL	EXPECTED ACTIONS TO REMEDY	TARGET DATE FOR COMPLETION	PROGRESS TO DATE	RESPONSIBLE OFFICIAL
1.	**No declaration of interest from winning providers** No evidence was obtained to confirm that declarations of interests were submitted by the winning supplier/bidders.	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	Chief Finance Officer/AD supply chain
2.	**No evidence of public invitation for competitive bidding** During the audit of the Supply Chain Management, it was noted that there is no evidence to indicate that the awards were publically advertised i.e. no advertisements in tender files:	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Manageme	Chief Finance Officer/AD Supply chain

				nt Act.	
3.	**No evidence that bid specification process was conducted** During the audit of Supply Chain Management, no evidence was obtained to indicate that the bid specification process was conducted by the Municipality i.e. minutes of meetings have not been submitted to the auditors therefore no assurance could be obtained to confirm that the Municipality Complied with the regulations set out above.	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	Chief Finance Officer/AD Supply chain
4.	**No evidence that bid evaluations were conducted** During the audit of Supply Chain Management, no evidence was obtained to indicate that the bid evaluation process was conducted by the Municipality i.e. minutes of meetings have not been submitted to the auditors therefore no assurance could be obtained to confirm that the Municipality complied with the regulations set out above.	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.		All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	Chief Finance Officer/AD Supply chain

5.	**No evidence that bid adjudication process was conducted** During the audit of SCM, no evidence was provided to indicate that the bid adjudication process was carried out in respect of the following winning bids i.e. minutes of meetings were not submitted for audit purposes therefore no assurance was obtained to confirm that the municipality adhered to the requirements set out under the SCM regulations.	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	Chief Finance Officer/AD Supply chain
6.	**Three(3) Quotations not obtained** During the audit of SCM, it was noted that 3 written quotations were not obtained from suppliers of a selected sample of purchases. Furthermore, there was no evidence to indicate that deviations together with reasons thereof were recorded and approved by the CFO, reported at the next council meeting and disclosed in the notes of the annual financial statements.	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	Chief Finance Officer/AD Supply chain
7.	**Invoices not paid within 30 days** During the audit of payables, it was noted that the creditor's invoices were long outstanding and not paid within the prescribed period of 30 days stipulated in the MFMA.	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to	Chief Finance Officer/AD Supply chain

		-The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.		treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	
8.	**Lack of bid documentation for transactions greater than R 10 million** there was no evidence to indicate that the winning providers of projects in excess of R10 million furnished the necessary documents as prescribed by section 21 of the SCM Regulations:	-all irregular expenditure must be subjected to the processes outlined in section 32 of the Municipal Finance Management Act. -The accounting officer is required to take decisive actions to ensure that the municipality's SCM process and records management gets the required attention.	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Management Act.	Chief Finance Officer/AD Supply chain
9.	**No declaration of interests by suppliers in the service of the state** suppliers to whom awards were made by the Municipality who failed to disclose that a director/ member/ principal shareholder/ stakeholder is in the service of the state:	• The accounting officer must investigate and/ or take action against the suppliers who knowingly supplied/ declared false information in their bids. Suppliers must on an ongoing basis be requested to	31 March 2015	All the list of irregular expenditure will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the	Chief Finance Officer/AD Supply chain

		declare any changes in their status of conflicts/possible conflicts of interest and be reminded of the fact that non-declaration constitutes an act of fraud, which could result in a possible termination of the contract		Municipal Finance Manageme nt Act.	
10.	**Suppliers not on municipality database** Based on a selected sample under SCM testing, it was noted that goods and services were procured from suppliers that are not on the Municipal database.	• - The Municipality needs to revise the SCM policy and ensure that it specifies the listing criteria for prospective suppliers. • Adherence to the listing criteria must be strictly enforced before updating the municipal database and transacting wit h new suppliers.	31 March 2015	All the list of irregular expenditur e will be submitted as an item to council and to treasury for approval as per the processes outlined in section 32 of the Municipal Finance Manageme nt Act.	Chief Finance Officer/AD Supply chain
11.	**Deficiencies in the IDP, budget and reporting process** (a) Despite publically advertising the tabling of the draft IDP to council, no evidence was provided to indicate that the municipality within 14 days of the of the IDP gave notice to the public of its adoption and that copies or extracts of the approved adoption plan are available for public inspection at specified places. (b) Despite publically advertising the	• The accounting officer needs to implement and enforce strict adherence to the Municipal Systems Act and the Municipal Budget and Reporting	31 March 2015		Municipal Manager/IDP Manager

	tabling of the draft budget to council, no evidence was provided to indicate that the Municipal Manager, within 10 working days after the council approved the annual budget; made public of its approval, supporting documents and resolutions. (c) No evidence was provided to indicate that the Municipal Manager made public the approved service delivery and budget implementation plan within 10 working days after the Mayor approved the plan. (d) Council approved the adjustment budget on 27 February 2014 and publication of its approval was advertised on 27 March 2014 however the Municipality failed to meet the 10 working day requirement as prescribed under Regulation 26 of the Municipal Budget and Reporting Regulations. (e) No evidence was obtained to indicate that the Municipality placed its monthly budget statements on the Municipal website in terms of Regulation 30 of the Municipal Budget and Reporting Regulations.	Regulations. • Key timelines and dates need to be incorporated into the standard operating procedures and must be monitored and reviewed on a regular basis.			
12.	**Inadequate revenue collection system** Based on the financial results of the current reporting period, it can be ascertained that the Municipality did not have an effective debt collection system in place due to the following: -Consumer debtors have increased by 60.65% from R6 610 339 in the previous financial reporting period to R 10 619 143 in the current financial reporting period -Debtor's days are excessive at 211 days for the 2013/2014 financial period. Of the R 10 619 143 debtors balance, R 5 302 645 relates to debtors in excess of the 90 day bracket.	• All debtors with arrears accounts must have their services disconnected or suspended. • Interest must be levied on all overdue accounts. • Personal or telephonic contact should be made with arrears debtors to encourage payments or to conclude settlement	31 March 2015		Chief Finance Officer/AD Income and revenue

		arrangements. • Debtors must be handed over to attorneys to initiate legal processes and implement the execution of judgements.			
13.	**Creditors sub ledger and supplier reconciliations not performed** During the audit of payables, it was noted that the following reconciliations are not performed by the Municipality: -Reconciliation between the creditors sub ledger and the general ledger -Reconciliation between supplier statements and creditors control accounts	• To enhance its control environment, the accounting officer must ensure that these reconciliations are performed on a regular basis. • The reconciliations must be monitored and reviewed by senior management to ensure that differences are investigated and resolved in a timely manner.	31 March 2015		Chief Finance Officer/AD Financial reporting
14.	**Shortcomings on employee files** a) Through inspection of employee files, it was noted that there were no signed authorisation of deductions for the following employees: b)Through inspection of the employee files, it was noted that there were no employment contracts for the following employees:	• The Municipality must ensure that adequate payroll records are maintained in the employee files as prescribed under the Basic Conditions of the Employment Act.	07 November 2014	Check list/ Index on personal files has been implement ed	Municipal Manager/ Director Corporate service

		• Adherence to the above can be achieved through implementation and completion of a checklist in employee files			
15.	**Incorrect termination notice period** it was noted that employees submitted notice periods for resignations that were not in accordance with the BCEA during the financial period.	The accounting officer needs to implement controls and mechanisms to ensure strict adherence to the Basic Conditions of Employment Act.			Municipal Manager/ Director corporate service
16.	**Human resource management deficiencies** a) During the audit of human resource management, it was established that no reference checks are performed for the verification process of new job applicants. b)The Municipality did not submit the consolidated report of minimum competency levels to Treasury as prescribed under regulation 14 of the Municipal Regulations on Minimum Competency Levels.	• The municipality must conduct reference checks in terms of its policy to verify information provided by a job applicant during the selection process. • The accounting officer needs to ensure that all reporting obligations are satisfactorily met in terms of relevant laws and regulations	05 January 2015	Reference check form has been developed	Municipal Manager/ Director Corporate service
17.	**IT GOVERNANCE** **Service level agreements were not signed off by the Municipality and did not include sufficient**	Management should ensure that SLAs are signed off by both parties and roles,	30 June 2015		Municipal Manager/ Director corporate service

	information It was noted that the service level agreements (SLA's) held with Tmansworld Technologies (TTECH) for website hosting and with Zulucom cc for domain hosting were not signed by a representative of the Municipality	responsibilities and obligations of each party are formally defined and agreed upon in the SLA. Key performance indicators, requirements for performance monitoring, penalties for contract violation and termination dates should be documented in SLAs held with vendors.			
18.	**Service levels received from vendors not formally monitored** There were no formal processes in place to review and report on the performance of services rendered by vendors.	Management should consistently monitor vendor performance through regular review of performance reports. Service provider performance review meetings should be held at scheduled times to ensure the achievement of agreed upon service levels.	28 February 2015		Municipal Manager/Director Corporate service
19.	**IT SECURITY MANAGEMENT** **No Patch Management Policy in place** The following deficiencies were noted regarding the password settings documented in the IT Security Policy: • The password configuration settings did not detail the standards to be applied for minimum password days, password complexity and password history	A Patch Management Policy should be documented, reviewed, approved and implemented. The policy should adequately document the process to be followed when patches are	31 March 2015		Municipal Manager/ Director Corporate service

	• The IT Security Policy stipulated a password length of 6 characters; however a password length of 8 characters had been configured on the Windows Active Directory The password settings for Conlog could not be obtained to perform a comparison to those stipulated in the IT Security PoliIf pass cy • w ord settings are not adequately detailed in documented policies and procedures, the risk of the network and applications being inappropriately configured is increased. This could result in an intruder gaining access to the Municipality's network and applications.	required to be installed. The policy should also include procedures regarding the approval			
20.	**System administrator activities not reviewed (Windows Active Directory, Venus and Payday)** **Previous audit finding** Independent reviews of System Administrator activities on the Windows Active Directory, Venus and Payday systems were not performed. Users with administrator access have full control over systems. Not reviewing activities performed by administrators may result in unauthorised activities not being timely detected. Furthermore, this could result in user id maintenance activities being performed without valid and approved requests.	The password configuration settings documented in the IT Security Policy should be updated to include the standards to be complied with for minimum password days, password complexity and password history. Management should thereafter ensure that the policy standards stipulated in the IT Security Policy are consistently implemented on the network and applications.	31 December 2014		Municipal Manager/ Director corporate service
21.	**Service provider responsible for administration of Human Resource**	Management should ensure that the service	31Decembe r 2015		Municipal Manager/ Director

	and Payroll system (Payday) Cognisance was taken of the fact that that an employee at the Municipality had been assigned administrator access on the Payday system. It was however noted that reliance was being placed on the service provider to administer the system as the employee had not been trained on the administrator functionality available on the Payday system. Complete dependence on a service provider for administration of a financial system could result in unauthorised transactions and activities being performed on the system. In addition, prolonged system downtime may occur should the service provider not be available.	provider transfers system administrator knowledge to the employee who has been assigned administrator access on the Payday system. Thereafter, the Municipality should assume responsibilities for administering the Payday system.			corporate service
22.	**USER ACCESS CONTROL No User Account Management Policy in place** **Previous audit finding** The Municipality has not developed and approved a User Account Management Policy. Employees may not be aware of the processes to be followed and the approvals required for new user access, modification of access, termination of access and password resets on Municipal systems. This may result in unauthorised users gaining access to the systems in use.	Management should ensure that a User Account Management Policy is developed, approved and implemented to manage user account maintenance. All employees should be made aware of the policy and be required to adhere to its contents.	31 March 2015		Municipal Manager/ Director corporate service
23.	**No documentation completed for administrator access rights granted (Windows Active Directory)** Administrator rights to the domain were granted to Sipho Buthelezi (IT Technician) and Sfiso Maphumulo (Bytes Desktop Engineer) without formal documentation and approval taking place. Users with administrator access have full control over systems.	a)Procedures for the granting and approval of administrator access rights should be included in the User Account Management Policy b)Administrator access should be	31 December 2015		Municipal Manager/ Director corporate service

	Unauthorised administrator rights granted to employees could result in Unauthorised system changes which may affect the functionality of the system.	requested through formal administrator access request forms which should be reviewed and approved by a senior official of the Municipality			
24.	**Register for the allocation of Microsoft licenses not completed** There is no volume based licencing agreement with Microsoft for the Windows operating system. Currently, licences are purchased on an ad hoc basis whenever a new terminal is acquired. Licences purchased were previously allocated to a terminal by completing a register; however this register is no longer maintained. This could result in inadequately licensed terminals being utilised by the Municipality and licenses not required being purchased. The Municipality may be liable for licencing fines and be at risk of reputational damage if software in use is not appropriately licensed.	c)A volume based licensing agreement should be entered into with Microsoft If this is not financially viable, then a list of licences together with the serial n	30 June 2015		Municipal Manager/ Director corporate service
25.	**User access rights not periodically reviewed (Venus, Payday, Cash focus and Conlog)** **Previous audit finding** The following weaknesses were noted with regard to the review of user access rights assigned on systems: • Periodic reviews were not performed on the Conlog system to ensure that current user access rights and privileges assigned on the system were still commensurate with an employee's job responsibilities • Evidence related to the user access reviews performed for the Venus, Payday and Cashfocus systems	a)Periodic checks should be carried out by management to ensure that user's current access rights assigned on systems are still commensurate with their job responsibilities b)Evidence of such reviews should be maintained	31January 2015		Municipal Manager/ Director Corporate service

	was not maintained If reviews of users' access rights are not performed on a periodic basis, management may not be able to identify users who have been granted excessive access rights or access rights no longer required to perform the roles and responsibilities associated with their job functions. This could compromise the confidentiality, integrity and availability of data stored on the system. In addition, if adequate evidence of reviews performed is not maintained, management may have no audit trail for changes made to user's accounts as a result of user access reviews performed.				
26.	**PROGRAM CHANGE MANAGEMENT** **Emergency change procedures not documented** Cognisance was taken of the fact that a Change Management Policy had been developed by the Municipality it was however noted that procedures to be followed for emergency changes were not detailed in the policy. An inadequate control process for emergency changes may lead to untested and unauthorised changes being made to the production environment which could affect the stability and accuracy of applications.	Emergency change management procedures should be comprehensively documented and incorporated into the current Change Management Policy. The updated policy should be approved by Council and communicated to affected users.	31 March 2015		Municipal Manager/ Director corporate service
27.	**System change logs not available (Venus, Payday, Cashfocus and Conlog)** The Municipality was unable to extract system generated logs to substantiate if any changes had been implemented on key financial systems for the period under review. Inadequate change control processes may lead to untested and unauthorised changes being implemented in the production environment. This may affect the stability of the applications	a)Staff should be trained on how to extract change logs from systems b) System generated change logs should be reviewed on a periodic basis to ensure that no unauthorised changes have been made to applications.	28February 2015		Municipal Manager/ Director Corporate service

	and accuracy of calculations performed.	Evidence of these reviews performed should be maintained.			
28.	**FACILITIES AND ENVIRONMENTAL CONTROLS** **Server room access register not reviewed** Cognisance was taken of the fact that a visitor's register had been implemented in the server room. It was however noted that the register was not being checked and signed off by management. Management may not be aware if the server room register is being consistently and adequately completed.	Management should review the server room visitor register on a periodic basis to ensure it is being consistently completed and signed off.	30November 2014		Municipal Manager/ Director corporate service
29.	**No server room maintenance schedule in place** A maintenance schedule for devices inside the server room had not been developed. Maintenance was carried out on an ad hoc basis and there was no formal process to ensure that all IT environmental controls within the server room were periodically serviced. Lack of a maintenance schedule may result in environmental controls not being periodically serviced which could result in IT systems malfunctioning thereby interrupting business operations.	Management should ensure that the maintenance schedule is established and server room environmental controls are regularly serviced to ensure continuous functioning of systems and business operations.	31 December 2014		Municipal Manager/ Director corporate service
30.	**INFORMATION TECHNOLOGY SERVICE CONTINUITY** **Business Continuity Plan not established and Disaster Recovery Plan not tested** **Previous audit finding** The municipality has not yet developed a Disaster Recovery Plan (DRP) and Business Continuity Plan	a)A BCP should be developed, implemented and communicated to all affected employees b)Steps should be taken to ensure that the BCP and DRP is tested on	30 June 2015		Municipal Manager/ Director corporate service

	(BCP).	an annual basis c)The results of the testing should be evaluated and benchmarked against required criteria in order assess the effectiveness of the plans d)Changes to the BCP and DRP should be made based on the results of testing performed with the amended plans being approved and distributed to the relevant individuals			
31.	**Evidence of backup** Evidence of the restoration testing of backup media performed for the period under review was not maintained. If restoration testing is not performed on a periodic basis management may not be aware of the continued readability of backup media. In addition, if backup media is not readable the Municipality may not be able to utilise its backups to restore data. In the absence of evidence of the restoration tests performed, management may not be aware of the readability of backup media as well as the actions taken for backups that could not be restored.	Restoration testing of backup media should be conducted on a scheduled basis and evidence of the testing performed should be maintained.	28 February 2015		Municipal Manager/ Director corporate service

32.	**Inadequate backup processes in place** **Audit finding** The following deficiencies were noted with regard to backups performed: • The Backup Policy did not detail the process for tape movement (secure transportation from onsite to offsite) • The backup register did not identify the status of backups performed • An offsite backup register was not maintained. Employees who are required to perform backups may not be aware of the correct procedures to be followed for tape movement. If backups are not adequately monitored, backups may be incomplete or unsuccessful and management may not be able to use the backup to restore data.	a)Management should ensure that backup standards and procedures are enhanced to include the process for transportation of backup media b)Backup registers must be amended to include the status of backups performed c)An offsite backup register must be implemented to record all tapes stored at the offsite storage location	31 March 2015		Municipal Manager/ Director corporate service

22. SECTION J: 5 YEAR REPORT ON MUNICIPAL PROJECTS

22.0 Introduction

This section gives a brief 5 year report on all Municipal Projects.

CIVIL/MIG PROJECTS
YEAR 2011/12

NO.	PROJECT NAME	AMOUNT (Rand)	WARD
01.	Mdlelanga Community Service Centre (NKAMC/DN/11-12/03)	3 361 150.00	11
02.	Dolwane CSC Phase II (awaiting MIG approval)	N/A	12
03.	Ezilozini Causeway (NKAMC/DN/11-12/01)	3 804 283.99	13
04.	CBD Servicing of site	N/A	5
05.	Maphuthu Access Road(NKAMC/DN/11-12/04)	6 823 680.50	10
06.	Ndikwe Causeway (NKAMC/DN/11-12/02)	2 202 526.99	4

YEAR 2012/13

NO.	PROJECT NAME	AMOUNT	WARD
01.	Mvutshini Community Service Centre	3 532 000.00	10
02.	Nkandla Combi-Court	4 143 225.71	5
03.	Ezimpisini Kwa-Gugu CSC	3 361 150.00	11
04.	King Cetshwayo CSC	3 361 150.00	14
05.	A1539 Esikhaleni	5 909 300.51	13
06.	Pholela Road Rehabilitation	3 375 000.00	12
07.	Matshenezimpisi Road Rehab. Phase II	2 095 800.00	5

YEAR 2013/14

NO.	PROJECT NAME	AMOUNT	WARD
01.	Thalaneni CSC	3 529 207.50	4
02.	Thaleni to Malunga Road Rehabilitation	4 711 050.00	3
03.	Esibhudeni CSC	3 529 207.50	7
04.	Ngomankulu/ Nsuze pedestrian crossing	9 990 811.80	11
05.	Bangamanzi-mfongosi Link Road	12 496 580.64	9
06.	Ekukhanyeni Access Road	986 526.55	4

ELECTRIFICATION PROJECTS

PROJECT NAME	FINANCIAL YEAR	WARD	BUDGET	COMMENTS/ PROGRESS TO DATE
Ekhombe Electrification	2011/2012	10	R 19 000 000.00	Completed
Mfongosi Electrification	2011/2012	09	R 33 000 000.00	completed
Vumanhlamvu/Mandaba/Ntinini Electrification	2012/2013	06, 07	R 21 000 000.00	Project was on 85% on construction, but was then put on hold due to financial constrains, will continue when funds becomes available
Thaleni /Vimbimbobo Electrification	2014/2015	03	R 4000 000.00	Project on hold due to financial constrain and will continue when funds becomes available.
Mvutshini/Malunga/Bhacane electrification	2012/2013	10	R 0.00	The project was on designing stage and was put on hold due to financial constraints and will continue when funds becomes available.

LED PROJECTS

YEAR 2011 – 2012

- SMME Centre Phase II
- Business Park
- Nkandla Market Stalls
- Support to Nkandla Essential Oils Distillery

2012/13

- **Qedisimo Pack house Project funded by COGTA**

  The project is initiated to assist all Nkandla Farmers around Nkandla area. All projects will benefits from this project. The project is not yet finished but in a final stage.

2011-2014 NKANDLA AGRICULTURAL PROJECTS SUPPORTED THROUGH LED BUDGET

Ward	1				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Upper Mhlathuze-Ngqongqoyi Cooperative	Vegetable Farming	Cllr L Ntombela	21	OHlelo
2	Golozeleni Community Garden	Vegetable Farming	Cllr L Ntombela	16	ENkantolo Ezibisini

Ward	2				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Zamukuphila Garden Cooperative	Vegetable Farming	Cllr Manyathi	22	Smukumuku: EMabhuqwini Clinic
2	Vusanani Garden Cooperative	Vegetable Farming	Cllr Manyathi	21	Ntatshana School

Ward	3				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Nkosisiphamandla Garden	Vegetable Farming	Cllr Dlomo	28	EHawukana: Lushaba School
2	Zaminhlahla Cooperative	Vegetable Farming	Cllr Dlomo	28	EKhehleni

Ward	4				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Siphesihle Garden	Vegetable Farming	Cllr Nxumalo	22	KwaMtshali Estolo
2	Khulani Garden	Vegetable Farming	Cllr Nxumalo	10	Ndikwe KwaNtshingili Estolo (KwaMthandanhle)

Ward	5				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
2	Cholwane Community Garden	Farming	Cllr PR Dlamini	5	Ntuzuma

5	Farming	Cllr P R Dlamini	10	EMatshenezimpisi Ezungeni

Ward	6				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	SikhonaSonke Cooperative	Farming	Cllr AT Ntuli	10	Vumanhlamvu clinic
2	Zicabangele Cooperative	Farming	Cllr AT Ntuli	5	Ngwelezane Stop

Ward	7				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	UbuntuBande Primary Cooperative	Farming	Cllr Sibiya	05	ESbhudeni Clinic
2	UMthombo Cooperative	Sewing, Poultry Farming, Planting	Cllr Sibiya	09	ENkantolo EMachubeni

Ward	8				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	eNtokozweni Community Garden	Vegetable Farming	Cllr Majola	10	MaNdathane
2	Bambisanani Community Garden	Vegetable Farming	Cllr Majola	10	EMasangweni Amnyama

Ward	9				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Indlovana Community Garden	Farming	Cllr TT Dlamini	30	Khomoloza Bottle Store
2	EMatshenamhlophe Garden	Farming	Cllr TT Dlamini	30	KwaDina Clinic

Ward	10				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Iseluleko Garden Cooperative	Vegetable Farming	Cllr Mhlongo	25	KwaJele
2	Thandanani Garden Co-operative	Vegetable Farming	Cllr Mhlongo	28	Mvutshini (KwaMagwaza)

Ward	11				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Thulasizwe Community Garden	Farming	Cllr Mncadi-Mpanza	22	No. One (Power Station)

Ward	12				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Vukazulu Cooperative	Farming	Cllr Mthalane	50	KwaMjele
2	SiyaSiya Nongweni	Farming	Cllr Mthalane	23	Nongweni, Stop: KwaMthembu

	Ward 13				
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. Of Members**	**Area/Stop**
1	Siyazama Community Garden	Farming	Cllr SV Lushozi		
2	EMpumelelweni Community Garden	Farming	Cllr SV Lushozi	22	Manyane Clinic

	Ward 14					
No.	**Co-operative**	**Categories**	**Ward Councillor**	**No. of Members**	**Contact No.**	**No. Of Members**
1	Mkhalazi (Ezihlabeni	Farming	Cllr SM Bhengu	8	Power/Khomo	1 Jojo 1 Pump

	Garden)					2 Rolls Pipes
2	Mazukhashe	Farming	Cllr SM Bhengu	18	Agricultural Centre	1 Jojo 1 Pump 2 Rolls Pipes

2014/2015 LED Projects

COOPERATIVE NAME	ITEMS BENEFITED	ward
1.Golozelen Garden	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	1
2. Golozelen Society	1 gas stove, 1 pole tent, 2 pots	1
3. Simunye community garden	8 rolls mesh wire,	1
3. Chwezi Society	1 gas stove, 1 pole tent, 2 pots	1
4. Zanini Cooperative	30 bags of pigs feed 50 kg	1
5. Mathuba Sewing project	5 sewing machines	2
6. Vukuzenzele community garden	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	3
7. Nkosiphamandla community garden	10 rolls mesh wire, 60 poles, 1 jojo tank	3
8. Zaminhlahla community garden	10 rolls mesh wire, 60 poles,, 1 jojo tank	3
9. Senzakahle community garden	5 hoes,5 forks,5 watering cans, 1 jojo tank	3
10. Thuluzobona	Jojo	4
11.Zuzimpilo Garden	Jojo	4
12. Zamukwenza	10 rolls mesh wire, 60 poles, 1 jojo tank	4
13. Ubumbano	Jojo	4
14. Zamokuhle	Jojo	4
15. Nkandla music entertainers	Sound system	5
16. Zicabangele cooperative	10 rolls mesh wire, 60 poles, 1 jojo tank	6
17. Zenzeleni cooperative	5 sewing machines	5
18. Masibambane	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	8
19. Bambisanani community garden	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	8
20. Siyayinqoba community garden	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	8
21. Ubuhle bensimu	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	8
22. Siyanqoba	5 hoes,5 forks,5 watering cans	8
23. Emhangeni	10 rolls mesh wire, 60 poles, 1 jojo tank	9
24. Kwadanga	10 rolls mesh wire, 60 poles, 1 jojo tank	9
25. Samungu	10 rolls mesh wire, 60 poles, 1 jojo tank	9
26. Kwanomlilo	10 rolls mesh wire, 60 poles,1 jojo tank	9
27. Sizabantu	10 rolls mesh wire, 60 poles, 1 jojo tank	9
28. Uthathawe community garden	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	10
29. Matholamngele	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	10

30. Thandukulunga	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	10
31. Zamukwenza Cooperative	2 defy stoves, backing material	13
32. Masibuyele kubantu	132 chicks, 15 chicken feeds,10 feeders	13
33. Nkandla tire cooperative	1 compressor,1 tire machine	5
34. Sidlangawo Cooperative	Water pump,2 jojo tank, pipes	14
35. Sizakancane cooperative	132 chicks, 15 chicken feeds,10 feeders	14
36. Ilungelolethu cooperative	10 rolls mesh wire, 60 poles,5 hoes,5 forks,5 watering cans, 1 jojo tank	14
37. Madumfe Cooperative	132 chicks, 15 chicken feeds,10 feeders	11
38. Emjahweni poultry project	132 chicks, 15 chicken feeds,10 feeders	11
39. Mtshwili poultry project	132 chicks, 15 chicken feeds,10 feeders	11
40. Zakho poultry project	132 chicks, 15 chicken feeds,10 feeders	11

SECTION K: ANNEXURES

1. Spatial Development Plan
2. Auditor General's Report
3. Annual Report 2013/14
4. Draft SDBIP 2014/15
5. Disaster Management Plan
6. Adoption of Draft IDP Council Resolution
7. Waste Management Plan